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SPEECHES

OF

HON. GALUSHA A. GROW,

OF PENNSYLVANIA,

MADE IN THE

HOUSE OF REPRESENTATIVES,

FIFTY-FOURTH CONGRESS.

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1. *Foreign and Domestic Commerce Greatest under Protective Tariffs*—
December 12, 1895. On President's Message.
2. *Adoption of Rules, Fifty-fourth Congress*—
January 25, 1896.
3. *Sectional Hates must Sometime End*—
March 24, 1896. Removal of Disabilities on Army and Navy Officers.
4. *Protective Tariff Best for Revenue*—
December 8, 1896. On President's Message.
5. *Reorganization of the Union and Central Pacific Railroads*—
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6. *Will of Legal Voter Supreme Law*—
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7. *War Widows' Pensions*—
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8. *Free Homesteads—Rights of Occupancy to the Soil*—
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February 26, 1897. On International Money Conference.

WASHINGTON.
1898.

SPEECH

OF

HON. GALUSHA A. GROW,

OF PENNSYLVANIA.

IN THE HOUSE OF REPRESENTATIVES,

Thursday, December 12, 1895.

The House being in Committee of the Whole on the state of the Union, and having under consideration the President's annual message to Congress—

Mr. GROW said:

Mr. CHAIRMAN: The President, in his annual message to this Congress, says:

> By command of the people a customs-revenue system, designed for the protection and benefit of favored classes at the expense of the great mass of our countrymen, and which, while inefficient for the purpose of revenue, curtailed our trade relations and impeded our entrance to the markets of the world, has been superseded by a tariff policy which in principle is based upon a denial of the right of the Government to obstruct the avenues to our people's cheap living or lessen their comfort and contentment.

When stated concisely, this paragraph means simply that a protective tariff has been superseded by a free trade one, called by its friends a tariff for revenue only. The President gives us no information as to the practical operations or result of this new system which has superseded the old one. Disregarding the uniform custom in annual messages, he fails to state the amount of the receipts and expenditures of the Treasury for the last fiscal year, or in fact for any year. He contents himself with the declaration contained in this paragraph, which is the only reference in his message to the revenue system now in force, or as to the receipts and expenditures of the Government. He merely asserts that a "system of customs revenue inefficient for the purpose of revenue," which "impeded our entrance to the markets of the world" and "obstructed the avenues to our people's cheap living," has been superseded by command of the people.

RECEIPTS AND EXPENDITURES.

Congress is left, therefore, to ascertain for itself as best it can the real condition of the Treasury—its receipts and expenditures—since the close of the fiscal year 1894. The President in his annual message in December, 1894, informed Congress that the deficit in the Treasury for the fiscal year ending June 30, 1894, was $69,803,260.58. The report of the Bureau of Statistics for 1895 shows that the deficit for the fiscal year ending June 30, 1895, was $42,805,223.18. The daily statements issued by the Secretary of the Treasury show that since July 1, 1895, to December 10 the deficit is

$18,545,720.04. So the receipts of the Treasury from all ordinary sources since June 30, 1893, have been $131,354,263.80 less than its expenditures, including nothing of what may be appropriated in deficiency bills to be passed this session. By the daily statements as to the condition of the Treasury the deficit continues at the average rate of about $4,000,000 per month. In these two years of deficit there was paid each year in pensions $18,000,000 less than in 1893. The President informs us in this message that "the bonded indebtedness" of the Government has been increased $162,315,400. So it would seem that this new system of finance is not a great success, though claimed by its friends to be one for revenue only.

PROTECTIVE AND REVENUE TARIFFS.

What is the history of the old one that has been thus superseded. It began with the passage, in February, 1861, of what is known as the Morrill tariff. That was framed avowedly upon the principle that while raising the revenue necessary for the support of the Government, duties should be so adjusted as to protect American labor in its competition with the poorly paid labor of the world, and to secure as far as possible the supplying of the home market by home labor in all cases where climate, soil, and business facilities would admit of its being done to advantage. This principle controlled in all the tariff legislation from that time until March 4, 1893. Every year after 1865—that being the close of the war—the receipts have exceeded the expenditures, and in addition to paying the current expenses of the Government two-thirds of the national debt of $2,700,000,000 in 1867 has been paid, and no money was borrowed save the $95,500,000 for the purpose of resumption of specie payments in 1879. This is a financial record unsurpassed in the history of any nation. The following table shows the excess of receipts and expenditures of the Government from 1858 to 1895 inclusive, and the amount of customs revenue each year from 1865—the close of the war period:

Year ended June 30—	Customs revenue.	Excess of revenue over expenditure.	Excess of expenditure over revenue.
1858			$27,529,904.43
1859			15,584,511.10
1860			7,065,990.56
1861			25,036,714.50
1862			422,774,303.48
1863			602,045,434.22
1864			600,655,870.37
1865			963,840,619.33
1866	$179,046,651.58	$37,223,205.05	
1867	176,417,810.88	133,691,335.11	
1868	164,464,599.56	28,297,708.46	
1869	180,048,426.63	48,078,469.41	
1870	194,538,374.44	101,601,916.88	
1871	206,270,408.05	91,146,756.64	
1872	216,370,286.77	96,588,904.89	
1873	188,089,522.70	43,392,959.51	
1874	163,103,833.69	2,344,882.30	
1875	157,167,722.35	13,376,658.26	
1876	148,071,984.61	29,022,241.83	
1877	130,956,493.07	30,340,577.60	
1878	130,170,680.20	20,799,551.80	
1879	137,250,047.70	6,879,300.93	
1880	186,522,064.60	65,883,653.20	
1881	198,159,676.02	100,069,404.98	

Year ended June 30—	Customs revenue.	Excess of revenue over expenditure.	Excess of expenditure over revenue.
1882	$220,410,730.25	$145,543,810.71	
1883	214,706,496.93	132,879,441.44	
1884	195,067,489.76	104,393,625.59	
1885	181,471,939.34	63,463,771.27	
1886	192,905,023.44	93,956,588.56	
1887	217,286,893.13	103,471,097.69	
1888	219,091,173.63	111,341,273.63	
1889	223,832,741.69	87,761,080.59	
1890	229,668,584.57	85,040,271.97	
1891	219,522,205.23	26,858,541.96	
1892	177,452,964.15	9,914,453.95	
1893	203,355,016.73	2,341,674.29	
1894	131,818,530.62		$69,803,260.58
1895	152,158,617.45		42,805,223.18

Previous to 1861 the tariff of 1846 had been substantially in force, though some changes in it were made in 1852 or 1853 and again in 1857. Mr. Buchanan's Administration closed March 4, 1861, with a deficit in the Treasury every year, amounting at the end of the four years to $75,217,120. Resort was had at that time by the Democratic party to borrowing money for current expenses in time of peace. Mr. Buchanan's Administration was the last Democratic Administration in full control of the executive and legislative departments of the Government until Mr. Cleveland's, and his Administration seems to begin where Mr. Buchanan's left off. [Applause and laughter on the Republican side.]

The Morrill tariff passed by Congress in 1861 was signed by Mr. Buchanan. The leaders of the present Democratic party are loud in denouncing all protective tariffs as unconstitutional, and especially the one passed in 1890, known as the McKinley tariff, notwithstanding the decision of the Supreme Court of the United States in a unanimous opinion, declaring that act to be constitutional. The period from 1880 to 1892 under these two protective tariff systems was one of unexampled prosperity, and for development of material resources and growth of industries unequaled in any like period in the history of nations. The receipts into the Treasury for these thirteen fiscal years from the ordinary sources of revenue over and above expenditures were $1,130,557,018, and the exports of merchandise over the imports were $1,139,613,971, and the importation of gold over its export was $96,401,216. The gold in the Treasury every year of this period exceeded the $100,000,000 reserve and all gold certificates issued. For the three years 1888, 1889, and 1890 the average excess was over $90,000,000.

GROWTH OF INDUSTRIES.

The growth of the mechanical and manufacturing industries, as shown by the census of 1880 and of 1890, was more than doubled in the capital invested and the amount paid to labor, and almost double in the value of the products produced. The abstract of the census of 1890 shows in detail that the capital invested in 1890 was $3,734,202,699 more than in 1879, and there was paid to labor in these same industries $1,335,262,734 more in 1889 than in 1879, and the value of the products in these industries was $4,002,858,092 more in 1889 than in 1879. The farm mortgages created between 1880 and 1890 had been, January 1, 1890, reduced more than one-half.

CUSTOMS REVENUE.

The customs receipts during this period were $177,452,964.15 in the year 1892, being the lowest, and $229,668,584.57 in the year 1890.

The following table shows the customs revenue for each year from 1888 to 1895, inclusive, and the excess of total receipts into the Treasury over expenditures:

Year.	Customs.	Excess of revenue over expenditures.
1888	$219,091,173.63	$111,341,273.63
1889	223,832,741.69	87,761,080.59
1890	229,668,584.57	85,040,271.97
1891	219,522,205.23	26,858,541.96
1892	177,452,964.15	9,914,453.66
1893	203,355,016.73	2,341,674.29
1894	131,818,530.62	*69,803,260.58
1895	152,158,617.45	*42,805,223.18

*Expenditures in excess of revenue.

Though the McKinley tariff was in force until August, 1894, yet the business of the country was so disturbed by the result of the election in November, 1892, in anticipation of the change in tariff policy, that importations for the fiscal year 1894 were greatly restricted and the home production of everything was greatly lessened. So that in all fairness in comparing the operations of tariffs the fiscal year 1893 should be regarded as the last year of the McKinley tariff. The average receipts from duties in the fiscal years 1891, 1892, and 1893 were $200,110,062.03.

FOREIGN COMMERCE.

The foreign commerce of the country under these two protective tariff laws beginning in 1861, which the President claims impeded our entrance into the markets of the world, expanded from $1,503,-593,404 in 1880 to $1,857,680,610 in 1892, the largest of any year in our history. The next largest year was $1,729,397,206, in 1891—showing that there was no trouble in our entering the markets of the world. But the world has no market better than the American market. [Applause.] We have a people of 70,000,000 to-day that consume per capita more than any other people on the earth, and which doubles in numbers every thirty years. Ere the close of this century of national existence 500,000,000 of people will be dwellers upon the soil over which to-day floats the flag of our fathers—about one-third of the present population of the globe. Why should we open such a market to the products of the poverty-stricken labor of the world, thereby excluding our own labor from employment in supplying it?

BUY CHEAPEST WHERE PAY EASIEST.

One of the President's objections to a protective system is that it obstructs the "avenues to our people's cheap living." A man in the poorhouse realizes the President's ideal of cheap living, for he lives cheaper than anybody else. [Laughter.] Cheapness in articles of consumption is not always desirable. Shall cheapness to the consumer be weighed in the balance against the comfort of the home and the happiness of the fireside of the pro-

ducer? Anything sells too cheap that sells for a price that will not give to the producer living wages. [Applause.] If articles of consumption can be furnished to the consumer cheaply only by reducing the wages of the laborer who produces them to the rate paid his competitors in other lands, where penury sits at their fireside and sorrowing want surrounds their deathbed, then cheapness is not a desirable object. [Applause.]

Strike from the tariff all its protective features, and the labor of this country must then stand unaided and alone in its competition with that labor of the world where homeless poverty is the sole heritage of the sons of toil. The consumer in all cases buys cheapest where he pays easiest. The state of things that gives steady employment to the laborer at the highest attainable wages enables him to pay easier, and thereby he buys cheapest, no matter what the nominal price of the article may be. Without employment he could not buy at all, and with scant employment he must buy scant. The country that produces for itself the articles consumed by its people has both the article produced and the money paid for its production, instead of having but one of these values, as would be the case in buying abroad.

COMFORT AND CONTENTMENT.

Upon the comfort of the home depends the happiness of its fireside; and by that fireside is reared the generations who are to control the destinies of the nation. [Applause.] In despotic or monarchical governments the great interest in its children is that they become good soldiers; but in a free constitutional government the great interest in its children is that they become good citizens, for upon the wisdom of their ballots rests the pillars of the Republic. [Applause.] Tariff laws affect directly the condition and well-being of labor, and if wisely adjusted will secure to it the supplying of the home market as far as possible.

Mr. Chairman, there would be no need of protection in arranging the duty on foreign imports if the laborers of this country were willing to live in the same way and to receive the same compensation as their competitors in other lands. But they are not willing to do that, and the patriotism of the country is unwilling that they should. That is the only reason why in tariff legislation it becomes necessary to guard the American producer against unequal competition with foreign products in their labor cost.

With the single paragraph I have read from the message, the President dismisses all reference to revenue or to the receipts and expenditures of the Treasury. His only recommendation for Congressional action is to convert five or six hundred millions of non-interest-bearing debt into an interest-bearing debt of the same amount on long-time bonds. [Applause on the Republican side.] A year ago his recommendation for Congressional action for the ills of the country was to allow State banks to issue a part of the circulating medium. There is no reference now to that remedy. I have no idea that this Congress or the next, or any other Congress, unless it is as overwhelmingly Democratic as this one is Republican, will retire what is known as the greenbacks into an interest-bearing debt. [Applause on the Republican side.] We have substantially the same currency to-day that has existed for years past, and so long as the receipts exceeded expenditures no inconvenience or serious trouble was experienced.

AMEND NATIONAL BANK ACT.

But it would be well to retire the Treasury notes of 1890 and the silver certificates in some way that would not contract the currency. My plan to do that is embraced in a bill offered in the last Congress and again introduced in this, the outlines of which are embraced in the following sections:

That all acts or parts of acts which require or authorize the deposit of United States bonds to secure circulating bank notes issued by national banking associations be, and the same are hereby, amended so that said associations now organized, or that may hereafter be organized, and any other association duly organized and incorporated under the laws of any State for doing exclusively a banking business, may deposit with the Treasurer of the United States, as security for circulating bank notes, in lieu of bonds, Treasury notes issued under the act of July 14, 1890, or silver certificates issued under the acts of February 28, 1878, and August 4, 1886, and March 3, 1887. The association making such deposit shall be entitled to receive for each and every $100 of the par value of the Treasury notes or certificates hereinbefore described $110 in circulating bank notes of the same kind, form, and description as is now, or may be hereafter, provided in the national-bank act for circulating bank notes. On the face of each and every note there shall be engraved and printed: "Secured by a deposit of money in the Treasury of the United States."

SEC. 2. That all the Treasury notes or certificates, as aforesaid, deposited as security for circulating bank notes, and upon which bank notes shall have been issued, the Treasurer of the United States shall cause said notes and certificates to be canceled and destroyed, giving to the association making such deposit a receipt for the same, specifying the kind of Treasury notes or certificates deposited.

SEC. 5. That all circulating bank notes issued as aforesaid shall be exempt from taxation by or under Federal, State, or municipal authority.

SEC. 6. That the circulating bank notes issued under this act shall have all the legal qualities of the circulating bank notes issued under the national-bank act, and their redemption shall be made in like manner.

By this method some five or six hundred millions of Treasury notes and certificates could be converted into a noninterest-bearing debt with an indefinite time to pay and without any contraction of the currency or increasing the interest-bearing debt of the nation. By the report of the Comptroller of the Currency for October, 1895, there were 3,715 national banks in existence, with an authorized capital of $664,136,915, and 5,066 State banks, with a capital of $422,052,618, making a total banking capital of both kinds of $1,086,189,533. This plan would allow a State bank to receive circulating notes the same as the national banks do on making like deposits in the Treasury. I need not take the time of the committee in advocating the system of uniform currency and circulating medium as it exists to-day. There is no system of State bank issues, I care not how arranged, that can be made a uniform, safe circulating medium without a deposit in the United States Treasury. The present law requires every national bank to receive the issues of every other national bank throughout the country in payment of any debt due the bank. Can you pass a law requiring the State banks to thus receive the issues of any and all other State banks throughout the country without some such deposit?

This plan would leave the present national banking law just as it is, except that this kind of paper could be deposited instead of bonds for security of payment and final redemption of circulating notes. The Government would be responsible the same as now for the redemption of the currency in the hands of the people. The currency would be as now uniform everywhere, and of equal value wherever received, and would be based upon a system

which would allow of necessary expansion. The character of the nationl-bank circulation would remain the same as now, except that State banks could participate in it. The advantage of one uniform rule and law against counterfeiting as it exists now saves millions of money to the people. Having given my views at the last session of Congress, somewhat at length, as to the desirability of thus amending the national-bank act I will not take up the time of the committee in its further discussion now.

GOLD RESERVE AND ENDLESS CHAIN.

The gold reserve that the President regards as a weakness in the financial management of the Government will continue such as long as money must be borrowed for the current expenses of the Government.

This "endless chain" that we hear so much about began with what appears to be an endless deficit [applause on the Republican side], and it will continue until the revenues of the Government exceed its expenditures. When that is the case why should there be any more trouble than there was for fifteen years before? As long as the revenue is less than the receipts I know of no way to keep gold in the Treasury. I know of no way in which a man can pay his debts without taking the money out of his pocket, as long as it lasts, and giving it to his creditors. If there is not enough there to pay his debts, then either he is a bankrupt or his creditor is a loser. There has been nothing in the Treasury except gold for the payment of the deficit in revenue. What was left to pay out? Treasury notes and greenbacks. That is a regular Micawber system of finance. [Laughter.] He counted his own notes as a fund for the redemption of his debts, and we are doing the same thing. Issue promissory paper to-day and say our debt is paid. It comes back for what that paper represents, and unless we have it we must go into bankruptcy.

Our paper money, substantially as we have it to-day, was no trouble to the Treasury of the United States during the time the Republican party controlled its administration. It only began with this new system, introduced with the incoming of this Administration, the same kind tried by our fathers, and it has always proved a failure. From the beginning of the Government we never have had what is called a free-trade tariff, a tariff for revenue only, that did not have the same result. Buchanan's Administration went to wreck in its finances on the same rock. Now its successor is trying the same experiment, and claims that it has done so because of a command by the people.

COMMANDS OF THE PEOPLE.

The people after two years of experience of an administration with a foreign policy of dishonor to the nation and a home policy of ruin to its industries have issued through the ballot box a new mandate with an energy and far-sweeping result that I trust the President in his official acts will not disregard, though he entirely ignored it in his message. Thirteen representatives of this once great Democratic party from 30 States of the Union are all that can speak for that party on this floor to-day. One only to speak for all New England. One for all the Pacific States. The other eleven speak for the remaining States which lie north of what used to be the old sectional Mason and Dixon's line. Thirty members

sit upon this floor to-day to speak for the lion-hearted, unconquerable Republican party of the heretofore solid Democratic South. [Applause on the Republican side.] The Congressional district of the home of every Democratic Senator in the Senate of the United States from either of the 30 States referred to is represented on this floor by a Republican. What was tried in the elections of 1894?

The Democrats say the election of 1892 was a condemnation of the McKinley bill. Then was the election of 1894 a condemnation of this new bill, christened the Wilson-Gorman bill, but which the President declared was a child of perfidy and dishonor when it was laid on the steps of the Executive Mansion? [Applause and laughter on the Republican side.] Solid Republican delegations are now here from a greater number of States than ever before. If these so emphatic and sweeping elections were not a condemnation by the people of the legislation of the last Congress, then it was a condemnation of the Democratic party itself, and that is what I think it was. It was the Democratic party itself on trial in the late elections. For it made no difference what kind of a Democrat it was, whether a zealous or lukewarm advocate of this new system of customs revenue, or a Democrat who had opposed it, the political cyclone swept away all kinds of Democrats alike.

The Democratic party was on trial in the elections of last year, and the people issued a new mandate. Before the election leading Democrats, including the President, proclaimed that their legislative acts in the last Congress were only steps in the right direction, which they proposed to continue until the last vestige of protection was swept from the statute book. The new command of the people comes to-day: "Not another step in that direction." [Applause on the Republican side.] It is a fair warning for the Democratic party to retire and make repairs for the future. Hoping that the President in his official acts will not disregard this new command, though he entirely ignored it in his message, I trust when he has leisure to attend to public affairs he will give heed to it. [Laughter and loud applause on the Republican side.]

Count a Quorum of Members Present not Voting.

SPEECH

OF

HON. GALUSHA A. GROW,

OF PENNSYLVANIA.

IN THE HOUSE OF REPRESENTATIVES,

On adoption of the rules for the Fifty fourth Congress,

January 23, 1896.

The House having under consideration the adoption of the rules for the Fifty-fourth Congress—

Mr. GROW said:

Mr. SPEAKER: Every bill which shall have passed the House and the Senate must, before it becomes a law, be presented to the President. How must it be passed? That is the whole question. Passed under such rules as the House and Senate may determine for their proceedings. Those proceedings are controlled by three conditions in the Constitution, and there are no others.

First, if the President disapproves a bill and returns it to either House, two-thirds of the House on a yea-and-nay vote must vote for it or it fails to become a law. And in impeachment trials in the Senate, in order to secure conviction two-thirds of those present must vote for it.

One other provision in relation to how the proceedings of either House shall be conducted. One-fifth of those present can have the yeas and nays recorded on any question. Where is there any provision in the Constitution limiting or controlling the discretionary powers given to each House to determine its rules of procedure? The fixed rule of the Supreme Court, that I do not think is ever departed from, is that where there is a grant of discretionary power to anything or anybody in the Constitution of the United States, the Supreme Court of the United States will not sit in judgment on the exercise of that discretion, no matter what it is. It was upon that doctrine that the constitutionality of the legal-tender quality of the United States notes was sustained in the first decision by the court. The Constitution gave to Congress the power to declare war, and the Supreme Court held the power to declare war carried with it, in the discretion of Congress, the doing of anything that the war-making power might think necessary to bring the war to a successful close.

In the making of rules to conduct the proceedings of the House there is one other condition fixed by the Constitution. I have referred to those that relate to voting. There is only one other. There must be a majority of the members *chosen* to constitute a quorum to do business. What is a quorum was raised in this Hall on the 4th of July, 1861. The then occupant of the chair decided that a quorum consisted of a majority of the members *chosen* from the Congressional districts. What is the evidence of a quorum, if

that question had been raised, the then occupant of the chair would have decided that the evidence of the choosing is the number of members who take the oath of office. Congress might have been blocked in its proceedings if the strict construction that I hear gentlemen placing upon the constitutional power of the House to make its rules had prevailed.

The quorum consists of a majority chosen. The *choosing* is not completed or determined except by the oath of office taken by those who are chosen. By the Constitution the House is made the judge of the election as well as qualification of its members. A Congressional district is not obliged to send a member, and there is no power to compel it to. No State in the Union is obliged to send a Senator to the United States Senate, and there is no power to compel it to do so.

If a Congressional district had elected a member, and instead of coming and discharging his duty and taking the oath of office, he had done as a good many did in 1861, had gone into another Congress, how could a constitutional quorum be determined except by the oath of office of the members chosen, for that is necessary to complete the choosing, for the House could not send for any others and bring them in to make a quorum. A quorum being present, the House determines the rules of its proceedings, subject only to the conditions in the Constitution to which I have referred. What nonsense to make a rule which will allow the minority to obstruct all business!

The majority makes rules to facilitate business, and so long as its rules do not contravene conditions of the Constitution, they can make just such rules as they please. Suppose the record of the House should go to the Supreme Court on a question whether a law was passed in due form. The Supreme Court, looking over that Journal, would see whether the President had vetoed a bill and it was attempted to be made a law by less than two-thirds of the votes of the two Houses on a yea-and-nay vote. If the record showed that, the law would be a nullity. In the other case, that of impeachment in the Senate, it must show that two-thirds of those present in the Senate voted for conviction. If two-thirds did vote for conviction, the conviction would be held good.

Now, where in the Constitution is there any other condition that they are going to examine in restraint of either House determining the rules of its proceedings? There is nothing fixing how the House shall vote, nothing about majorities, and nothing about yeas and nays besides the cases referred to, except one-fifth of those present may have the yeas and nays entered on the Journal on any question. With the exceptions referred to, the House can make what rules it pleases to facilitate the transaction of business. Take an extreme case. Make the rule as proposed, that a majority of those voting, a quorum being present, will pass any bill in the House, no matter what the others do—say there were but two voting. What would the court do in examining, to see first whether there was a quorum present? How could they determine that? They take the record of the House and find 357 men have taken the oath of office. A quorum is a majority of that number. The House has passed a rule that if members sit in their seats, they are to be counted as present with those who vote, whether they vote or not. Has the House the power to do that? The court has already declared they have. A quorum being present for business—the positive requirement of the Constitu-

tion—and the House having determined in its rules how a bill shall be passed, what could there be for the Supreme Court to inquire into if the record showed the bill passed as required by the rules of the House?

The power to make the rules is conferred absolutely upon the House, to be exercised in their own discretion. How is the Supreme Court, under their own rule of construction, to limit that discretion? The rules of the House as passed provide that every member, when his name is called, shall vote, except in certain specified cases. He refuses to do it. There is no power that can compel him to vote if he resolutely refuses. It is a plain violation of the rules of the House, and prevents the transaction of its business. Can it be possible that the Supreme Court of the United States would hold that the discretionary power conferred on the House to determine its rules of proceedings would not have the power to neutralize this violation of its rules by providing that those members who comply with such rules shall not carry on the business of the House? The rule as proposed neutralizes the refusal of a member to comply with the rules determined by the House for its proceedings. The rule neutralizes his refusal to do what the rules require by saying he is to be counted in constituting a quorum. Then, whoever votes on the question, if the rule so provides, concludes him and the whole House. Where is there anything in the Constitution that says a bill shall pass the two Houses in any particular way unless it is returned from the President without his approval? There is nothing about a majority in the Constitution; nothing about how many votes shall be required to pass a bill, except in case of a veto. It simply says that a bill which shall have passed the House and the Senate, before it becomes a law, shall, so and so, be submitted to the President.

Now, the House determines its own rules of procedure, and like any other discretionary power granted by the Constitution is to be exercised in its own discretion, not subject to review by any court as to the wisdom of the exercise of that discretion. I need not take the time of the House except for one instance——

Mr. WILSON of Ohio. Will you permit me to ask you a question?

Mr. GROW. Certainly.

Mr. WILSON of Ohio. While I expect to vote for this rule, I would like the ex-Speaker, who ruled in 1861, to be logical in his statement. Can you explain why there would be any prejudice to legislation by counting a portion of a quorum silent against a bill and having that same number of silent men counted against it the same as if they had voted no?

Mr. GROW. You undertake to grant the same power to a member who refuses to obey our rules as to one who does.

Mr. WILSON of Ohio. I ask the question, if there were, for instance, 50 men on the floor who declined to vote, but who are counted for the purpose of making a quorum, wherein is the legislative effect more disastrous by their refusing to vote than if they had actually voted no?

Mr. GROW. The House undoubtedly has the power to make such a rule, but why should the negative side of the question be strengthened by all refusing to vote any more than the affirmative? I should oppose the adoption of any rule that required the recording of any member for or against any question except by himself. My own conscience and judgment must make that record, and nobody else has the right to make it for me. But the

House can neutralize my refusal to vote, so far as practical legislative results are concerned.

Mr. WILSON of Ohio. I am not certain that I have made my question clear to the gentleman from Pennsylvania. As I understand him, his proposition is that a majority of those who vote——

Mr. GROW. A quorum being present.

Mr. WILSON of Ohio. Yes: that a majority of those who vote, a quorum being present, shall have power to enact a law. Now, why should there not be a majority of the quorum voting when a portion of those present are silent any more than if that portion voted "no"?

Mr. GROW. I do not require a majority of the quorum.

Mr. WILSON of Ohio. No: but if those who remain silent had voted "no," then it would have taken a majority of the quorum to pass the measure. Now, if they do not vote, how can there be any prejudice to them by counting them as voting "no"?

Mr. GROW. Because in that case you put me on record, to be read in the future, as having voted for or against a measure that I might be unwilling to be responsible for to the public opinion of the world. You undertake to put my convictions on that question on the records of the House. But if I sit silent, withholding my vote, the House can nullify my refusal to vote, so far as legislation is concerned, and that is all they would have a right to do.

Mr. WILSON of Ohio. Do you, as one of the ablest and oldest members here, think it would be policy for the Congress of the United States to enact laws by less than half of a quorum of this body?

Mr. WALKER of Massachusetts. Nine-tenths of the measures passed are passed in that way.

Mr. GROW. Mr. Speaker, it is just as good policy and just as wise for one man to vote on a bill in this House with 356 sitting silent as it is for 200 to vote and the balance sit silent. If those who are present sit silent and refuse to vote, that, under this rule, would not prevent one man or any number of men from representing the House by their action. If members desire to defeat a measure, they must put themselves on record in opposition to it, and not, by a mere failure to comply with their duty under the law, nullify the action of those who do their duty. The gentleman from Virginia [Mr. SWANSON] spoke about members being enabled, under this rule, to skulk and avoid proper responsibility.

Why, sir, any member can dodge to-day or any other time if he wants to, and this rule only provides that dodgers shall not accomplish any practical results, so that they might as well vote. It is a rule against dodgers. The dodger is the man who will not vote, and you have no power to compel him to vote; above all, you have no right to put him on record in favor of a measure that he is opposed to in conscience, or to put him on record except in his own way. You have no right to do that whether he is silent or not; but you have a right to neutralize his violation of the rules in attempts to defeat legislation, and you do that by making a rule that those who do discharge their duty under the rules of the House shall, by their action, bind those who refuse to by remaining silent, just as the voters who go to the polls and cast their votes, even though they be an infinitesimal portion of the voters of the election precinct, can by their action bind those who stay away. [Applause.]

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Sectional Hates Must Some Time End.

REMARKS

OF

HON. GALUSHA A. GROW,

OF PENNSYLVANIA.

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 24, 1896.

The House having under consideration a bill to remove disabilities of Army and Navy officers who served in the Confederacy—

Mr. GROW said:

Mr. SPEAKER: I propose to trespass but briefly upon the attention of the House at this time. National disasters have fallen upon all nations that preceded us, and in our case a mighty disaster befell this generation. The soil of England was drenched for long years in the blood of her best citizens in the Wars of the Roses; and yet when that struggle passed from the consideration of the living generation who took part in it, the asperities of its animosities ceased, and where is the Englishman to-day who remembers the antagonisms and strife of that period?

Slavery was the cause of the rebellion in this country. Our habits of thought are, to a great extent, creatures of our surroundings. We are all born and reared under certain influences, which develop certain traits of character. Had the men of Massachusetts been born and reared for generations in South Carolina, when the iron hail beat on the walls of Sumter they would have joined in rebellion, as did the men born in South Carolina. And if the men of South Carolina had been born and reared in Massachusetts for generations, under her surrounding influences, they would have united, as she did, in upholding the institutions bequeathed by our fathers. What caused the rebellion—the moving, educating element—is gone forever, and no one sheds a tear on its grave. To-day all who dwell upon American soil under the flag of our fathers are surrounded by similar influences, and will ere long forget the bygones except as a warning for the future, if they have not already done so.

When this mighty conflict was at its height and the roar of hostile cannon was heard from one end of the country to the other, 18,000,000 people stood like the youth in the streets of Paris when it was rumored that Mirabeau was dying. He had listened to his impassioned eloquence in the Corps Législatif, and rushing to his physician he eagerly inquired, "What is the matter with Mirabeau?" and when told that he was dying for want of blood, stripping bare his arm, he exclaimed: "Take the blood from my veins and put in his, and let Mirabeau live." So 18,000,000 of the Amer-

ican people, when danger hung over the perpetuity of the Union bequeathed by our fathers, baring their bosoms, exclaimed: "Take our hearts' blood and let the Republic live."

The men in arms for the destruction of the Union were inspired by the institution of slavery, and would never have gone to the battle for its overthrow only from such influences. What caused the rebellion has passed away forever, leaving a Union saved and a country free. While our fathers were among the wisest of men that ever laid the corner stone of empire, yet in the grand temple of liberty which they reared they left the cankerworm of human bondage to gnaw at the vitals of free institutions until the crisis hour came when one or the other must die, and slavery was the victim.

The world is ever ready with its meed of praise for valor and deeds of heroic self-sacrifice, whether in the Spartan at Thermopylæ, the Old Guard at Waterloo, or Pickett's dauntless charges at Gettysburg; but—

'Tis the cause makes all,
Degrades or hallows courage in its fall.

A victorious party in a carnival of blood can not in this age convert itself into a party of perpetual hates. Hates and rancors must some time end. Let us bury with the heroic dead the animosities engendered in the conflict and remember only that we are all American citizens, glorying in the traditions of a common ancestry, and henceforth vying with each other in deeds of patriotic devotion for the greatness and the glory of the Republic. [Loud applause.]

Mr. BOUTELLE. Will the venerable gentleman from Pennsylvania permit me to ask him a question? If devotion to the Government, if patriotism, is a matter of locality, and if it be true that the people of Massachusetts to-day are entitled to no special credit for being loyal, and the people of South Carolina, or Alabama, if you choose, are entitled to no special condemnation because they were disloyal, does not the gentleman think that he ignores a great fact and does great injustice to that body of loyal men who, in Tennessee and in North Carolina, in Missouri, in Kentucky, and in West Virginia, in spite of the fact that they were domiciled with slavery; in spite of the fact of their locality; in spite of the fact of their minority; in spite of the fact of their proscription and the sufferings for which they fled to the mountains for refuge—does he not think these men are entitled to some consideration, to more honor from the Government of the United States than those who voluntarily engaged in fighting to destroy the Government? It seems to me that we can not afford to argue on the basis that if we had lived somewhere else we should have done as somebody else did. You can make that argument in favor of anything that any man or set of men ever did anywhere.

I hold that the people of Massachusetts and of New York and of Pennsylvania were loyal to this Government for other reasons than because they lived in those States. They were not the men who were gathered under a sudden impulse into the Army; they were the thoughtful, patriotic bone and sinew of those States, who left their homes, their shops, their vocations, and went to the field because they believed a great principle was involved, and you must give them proper credit for it. And those men in the South who were born amid slavery and surrounded by it in the States

to which I have referred, yet who were faithful to the Union, can not be ignored by simply referring to patriotism as a matter of sectionalism or locality.

Mr. HOPKINS. Mr. Speaker, I move that the House do now adjourn.

Mr. GROW. Will the gentleman allow me a moment to reply to the question which the gentleman from Maine has asked me, and which implies that I have not a proper sense of patriotism?

Mr. BOUTELLE. I beg the gentleman's pardon; no man would think of implying anything of that kind.

Mr. GROW. Mr. Speaker, I ask the gentleman from Illinois to withdraw his motion to adjourn for me to answer the question put by the gentleman from Maine.

Mr. HOPKINS. I will not withdraw the motion, but I will withhold it long enough to enable the gentleman from Pennsylvania to answer the question.

Mr. GROW. If the gentleman will withdraw the motion temporarily and desires me to renew it, I will do so at the conclusion of my remarks, or I will leave it for him to renew it.

Mr. HOPKINS. Very well.

Mr. GROW. Mr. Speaker, we all know that there is a great principle of patriotism in the human breast, formed by the surrounding associations of childhood in the community in which we were born or in which we may chance to live, and there is a sense of justice implanted in every human heart, but each of these feelings or senses can be shaded more or less in its development by the circumstances of childhood and youth and by the influences surrounding our manhood. I depreciate not the valor, the patriotism, the self-sacrifice of the men of Massachusetts. I made mention of them only by way of illustration, and did not intend any disparagement of their patriotic services.

We all know that patriotism springs from the associations of childhood in the land in which we are born, and it is just as strong in the people of one nation as in those of another. The men of East Tennessee, to whom the gentleman from Maine has referred, never were demoralized or corrupted by the institutions of human bondage. And the same is true of the men in the border States, whose heroic self-sacrifice in the cause of the Union was never surpassed. It was the cotton States that led in the rebellion, that portion of the South where slavery had become the dominant idea, the controlling sentiment in politics and in the social relations, so that even on this floor there was a time when no question could be presented that did not directly or indirectly involve the question of slavery, and on all such occasions there was a solid vote from the cotton States in favor of slavery.

Mr. BRUMM. Will the gentleman permit me to ask him a question at that point?

Mr. GROW. I do not wish to enter into any controversy. I only desire to be understood. Patriotism, justice, the sense of humanity are born in the human heart, but their development is greatly influenced and controlled by the sentiments that surround us, the atmosphere in which we grow to manhood. It was slavery that molded the habits and thought of the men who made and led the rebellion. I use the word now in no invidious sense when I say that slavery made its devotees traitors to the Union. It was not the impulse of their hearts; it was not the patriotism inculcated by the

associations and the history and the traditions of our common country.

The object that sent them to the tented field was to defend what they considered an institution for their benefit, because, as we all know, they proposed to found a republic with slavery as its corner stone. Now slavery has gone. It vanished in the expiring flames of civil war, and the martyr President, sealing with his blood the emancipation of a race, bore 4,000,000 broken manacles to the throne of eternal justice. The great cause of all the trouble and disaster to our country having disappeared forever, we can all rejoice to-day, victor and vanquished alike, in one Union, one people, one flag, and one destiny, now and forevermore. [Applause.]

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A PROTECTIVE TARIFF BEST FOR REVENUE.

SPEECH

OF

HON. GALUSHA A. GROW,

OF PENNSYLVANIA,

IN THE

HOUSE OF REPRESENTATIVES,

DECEMBER 8, 1896.

WASHINGTON.
1896.

SPEECH

OF

HON. GALUSHA A. GROW.

A PROTECTIVE TARIFF BEST FOR REVENUE.

Mr. GROW. Mr. Chairman, on yesterday, at the conclusion of the reading of the President's message, I was anxious then to call the attention of the House for a few minutes to one or two statements made in the message.

I will now ask the Clerk to read the extracts from the message of the President which I send to the desk.

The Clerk read as follows:

The only entire fiscal year during which this law has been in force ended on the 30th day of June, 1896. In that year our imports increased over those of the previous year more than $6,500,000, while the value of the domestic products we exported, and which found markets abroad, was nearly $70,000,000 more than during the preceding year.

* * * * * * *

Whatever may be its shortcomings as a complete measure of tariff reform, it must be conceded that it has opened the way to a freer and greater exchange of commodities between us and other countries, and thus furnished a wider market for our products and manufactures.

* * * * * * *

The Secretary of the Treasury reports that during the fiscal year ended June 30, 1896, the receipts of the Government from all sources amounted to $409,475,408.78. During the same period its expenditures were $434,678,654.48, the excess of expenditures over receipts thus amounting to $25,203,245.70.

Thus, it seems, Mr. Chairman, that the expenditures of the Government for the last fiscal year, closing June 30, 1896, were in round numbers $25,000,000 more than the receipts. The year preceding the deficit was $45,000,000 in round numbers. By the monthly statement sent us by the Secretary of the Treasury the expenditures of the Government since the 1st day of July, 1896, to the 1st day of December, the present month, have been $40,976,453 more than its receipts. These three items of deficiency in revenue run through two years and five months, yet the President makes no recommendation as to any mode of increasing the revenues of the Government, but simply assures us that no deficit that has occurred or may occur need excite or disturb us. A very placid mood for the Executive of the Republic while its annual expenses have exceeded its receipts about an average of $50,000,000 a year during his present term of office.

The President seems to rest secure that the creditors of the nation will be paid unless the engravers and the money-printing presses of the Government shall break down. He compares the existing tariff with itself one year with another, and declares it has done better this year than it did the year before, and if it is let alone long enough it will undoubtedly some time meet all the expenses of the Government. In addition, he declares that it has opened the way to a freer and greater exchange of commodities between us and other countries.

I do not propose to discuss the tariff to-day in any partisan spirit, or to excite any questions relating to free trade or protection, but

simply to call attention to the business character of the existing tariff. It is not a question of whether this tariff is better for one year than another, but whether it is a good tariff for any year. If it is, we need no change. If it is not good for any year, then our first duty, as part of the legislative department of the Government, is to so change it as to provide revenue enough to meet the expenses of the Government economically administered. In a number of the schedules in the existing tariff less duty is collected on a larger valuation of imports than in the McKinley tariff for a corresponding year, and articles of pure luxury of a larger amount are imported under the present tariff and less duty collected.

To compare some of the schedules in the two tariffs as to amount of importation and duties collected, take earthen, stone, and china ware. Without taking the time to state the amount of importation in each year, I will give the difference in the valuation each year and the difference in the duties collected. The valuation on china ware, earthen ware, etc., imported in 1896 was $1,162,193 greater than in 1893, and the duty collected on these very same kinds of articles $1,841,499 less than was collected under the tariff in 1893. In fruits and nuts the importation in 1896 was $5,721,055 more than in 1893, and the duty collected was $1,211,173 less than was collected in 1893.

Take iron and steel. This is the only item that I shall read the importation of which in 1896 was less in valuation than that of 1893, but while the importation of 1896 was $8,264,000 less than that of 1893, the duty collected was, in round numbers, $12,000,000 less in 1896 than in 1893. All the other cases to which I call attention are cases where the importation of foreign products in 1896 exceeded in amounts and valuation the importation in 1893, and in every instance less duty was collected in 1896 from the same kinds of articles on a larger importation. That is, under the existing tariff a larger amount of importation is made than was made under the McKinley tariff and less duty on that larger amount was collected; that, too, at a time when the Government needs the revenue.

The friends of the existing tariff are claiming that it is better than the tariff that it superseded. It is time for some gentleman on the Democratic side of the House to rise and in eloquent terms denounce "McKinleyism" as we have heard it so often for the last three years. While the revenues on these articles fell off, the importations increased. Take wool and manufactures of wool. I grant that there was a theory underlying the change made in the tariff on the woolen schedule. In the other cases there was no theory, nothing but a want of business capacity. [Laughter and applause.] But in the case of wool there was both a false theory and a want of business capacity.

The imports of wool and woolen manufactures in 1896 show a valuation of $27,000,000, in round numbers, more than the imports of the same articles in 1893, while the duty collected upon this great increase of imports is $21,477,354 less than in 1893. That is, we have brought foreigners in competition with our own great wool industry, woolgrowing and the manufacture of wool, thus giving employment to the labor of other countries, while our own labor goes begging in the streets, and in doing it have thrown away $22,000,000 of revenue. Take carpets and carpeting. I read this to further illustrate the want of business capacity shown in the existing tariff in levying duties on what are called

luxuries. It is evident that a large amount of revenue from foreign importations can not be collected without making it somewhat burdensome, unless duties are made very large on what are called the luxuries of life. Here are carpets and carpeting, including the highest priced carpets, Axminsters, Moquettes, and carpets woven on special orders to fit a particular room. In 1895 the importations of these goods were $7,146 more in valuation than the importations in 1892, while the duty collected on them was $217,646 less than the duty collected on the importations of 1892.

Now, take the tin-plate industry. Before 1890 there was not a pound of tin plate made for market in this country. The manufacture for consumption commenced at that time. The importation in 1895, under the present tariff, the first year of this tariff, was 534,000,000 pounds, as against 403,000,000 pounds in 1892. That is, there was 131,784,122 pounds of tin plate imported in 1895 more than was imported in 1892; yet the duty collected upon that importation of 130,000,000 pounds more in 1895 was $1,464,610 less than the duty collected in 1892. This loss of revenue is a clear discrimination against our own industry. We can produce all the tin plate this country needs. The existing manufactories have sufficient capacity, but they have been partially shut down for two years. We close the door to the product of our own country and open the door to the product of foreign factories and call it "increasing our trade with foreign nations."

Take brandy—if it had been whisky there might have been some reason in that. [Laughter.] We imported 8,349 gallons more last year than we imported in 1892, and collected $232,992 less revenue. Take distilled spirits. Our imports last year were $191,951 greater in valuation than our imports in 1893, yet we collected $558,848 less revenue.

These, Mr. Chairman, are some of the illustrations of the kind of tariff that we are asked to continue until it shall meet the deficiencies in the revenue. I grant that it gained about $12,000,000 upon itself in its second year, but at that rate how long would it take to make up the deficit in revenue already incurred?

The duty collected on the nine articles that I have enumerated—the same class of articles in each tariff, remember—the duty collected upon those articles during the fiscal year which closed on the 30th of June last, was $39,114,676 less than the duty collected under the McKinley tariff on a much less amount of importations.

The following table shows the valuation and duties collected on certain articles in corresponding years.

Valuation of imports and duties collected.

Articles.	Year.	Valuation.	Duties collected.
Carpet and carpeting	1892	$1,377,050	$851,541
	1895	1,384,196	633,895
Difference		7,146	217,646
		Pounds.	
Tin plate	1892	403,030,785	8,801,358
	1895	534,814,907	7,336,748
Difference		131,784,122	1,464,610

Valuation of imports and duties collected—Continued.

Articles.	Year.	Valuation.	Duties collected.
		Gallons.	
Brandy	1892	294,415	$791,488
	1895	302,764	558,496
Difference		8,349	232,992
Distilled spirits	1893	$1,906,891	3,183,633
	1896	2,098,841	2,624,785
Difference		191,950	558,848
Earthern, stone, and china ware	1893	9,377,284	5,404,985
	1896	10,539,477	3,563,486
Difference		1,162,193	1,841,499
Fruits and nuts	1893	13,398,411	3,818,801
	1896	19,119,466	2,607,628
Difference		5,721,055	1,211,173
Iron and steel	1893	34,860,868	21,916,447
	1896	26,596,815	10,034,349
Difference		8,264,053	11,882,098
Provisions	1893	2,081,234	761,199
	1896	2,060,718	532,778
Difference		20,516	228,421
Wool, and manufactures of	1893	55,301,593	44,598,772
	1896	82,796,757	23,121,383
Difference		27,495,164	21,477,389

On these nine articles the customs duties collected was $39,114,676 less than was collected in corresponding years on a much less amount of importations of the same kind of articles under the McKinley tariff.

Sugar was on the free list under the McKinley law, and 1890 was the last year that it was dutiable until this tariff.

Let me compare the operations of the existing tariff with the tariff preceding the McKinley tariff.

In 1890 the Treasury of the United States collected on the importation of sugar into this country $53,985,873, that being the last year in which sugar was on the dutiable list.

In the year of this tariff which the President refers to in his message with commendation—the year closing on the 30th of last June—there was collected on sugar $29,808,140, being $24,000,000 less than was collected in 1890.

For years we have had a wide difference of views between political parties in this country, and probably we shall continue to have such differences for years to come as to protection and free trade.

Protection means employment for American labor in producing in this country such articles as climate, soil, and natural facilities would allow of being produced here to advantage, at a rate of wages—the highest possible—and permit the articles produced to be sold in market. Free trade means the payment to labor every-

where of the lowest wages paid to labor anywhere. Everybody can choose between these theories. I do not propose to enter into any discussion of them at this time. But as a business proposition we are to consider the results of these two tariffs as they affect the Treasury of the United States. The question of how to collect revenue for the expenses of this Government is a business proposition.

These two tariffs have been tested in practical operation. Such practical tests are better than any theory, better than all logic, better than all disputations where imagination furnishes the "facts" instead of taking into consideration the results of practical operations in business.

I have here a table showing the total exports and imports of this country during four years, also the dutiable and free, and showing the amount of duties collected. This table shows the results in the years 1892, 1893, 1895, and 1896, two years under the McKinley tariff and two years under the existing tariff. The year 1894 is a year which in fairness can not be used by way of comparison with anything before or after. That was a year in which the country was engaged in remodeling the tariff. A great part of that fiscal year Congress was engaged in both Houses on that measure.

The party that framed the present tariff came into power on the 4th of March, 1893, having been elected in 1892. As soon as that election was over, the influence of the anticipated change in the tariff policy of this Government swept over not only our own country, but the nations of the world with whom we dealt. Hence 1894 is a year which no one who wishes to deal fairly can use by way of comparison with anything before or since. But we may fairly refer to 1892 and 1893 (the two years immediately preceding 1894), and 1895 and 1896 (the two years immediately succeeding), for any purpose of comparison.

In the years 1892 and 1893 the total exports of this country amounted to $1,877,943,341. In the years 1895 and 1896 the total exports amounted to $1,690,145,103, being $187,798,238 less than for the two years 1892 and 1893.

Yet the President assures us that this tariff has opened the way to a freer and more expanded commerce with foreign nations. This is his claim, in spite of the fact that under this new policy the exports for 1895 and 1896 are nearly $200,000,000 less than they were in 1892 and 1893, really for comparison the last two years of the McKinley tariff.

The total dutiable imports for 1895 and 1896 are substantially the same in amount as the dutiable imports were for 1892 and 1893. There is a nominal difference of $10,740,703. But the ad valorem duties in force the two years of this tariff—greater in number than heretofore—would more than make up the difference in valuation. So that the total dutiable imports of 1895 and 1896 are substantially the same as were the dutiable imports of 1892 and 1893. Yet the duties collected in 1895 and 1896 under this tariff that we are asked to allow to remain until it shall make up all deficiencies amounted to $68,353,224 less than the collections on the same amount of dutiable imports in 1892 and 1893. It is seriously proposed as a matter of business that we allow these importations of foreign merchandise to come in competition with American labor, and in addition fail to collect as much revenue upon them as was collected in the two corresponding years prior to the enactment of this tariff.

The following table shows the total exports and imports, and the duties collected for the years 1895 and 1896 compared with the years of 1892 and 1893:

Table showing the total exports and imports for four years and the customs duties collected in those years.

Year.	Total exports.	Total imports.	Free.	Dutiable.	Duties collected.
1892	$1,030,278,148	$813,601,345	$458,074,604	$355,526,741	$174,124,270
1893	847,665,193	844,454,583	444,172,064	400,282,519	199,143,678
1895	867,538,165	731,162,090	376,890,100	354,271,990	147,901,218
1896	882,606,938	750,694,084	368,897,523	380,796,561	157,013,506
1892	1,877,943,341	1,658,055,928	902,246,668	755,809,260	373,267,948
1893					
1895	1,690,145,103	1,490,856,174	745,787,623	745,068,551	304,914,724
1896					
1895–1896 less than 1892–1893	187,798,238	167,199,754	156,459,045	10,740,709	68,353,224

It is for the Congress of the United States to restore the revenues of the Government so as to equal its expenditures or to reduce those expenditures to correspond with the revenue. Who on this side of the House or who on the other side believes that we can reduce materially the expenditures of this Government? They are now no greater than they were when the gentlemen on the other side were in power. We do not charge that they were extravagant in expenditures. This mighty country, with its great rivers, its mighty arteries of trade and commerce, requires a great expenditure, and it can hardly be expected to be less from year to year. Wise statesmanship, then, requires that we provide in legislation that the revenues shall equal the necessary expenses of the Government, and its people are ready at all times to meet any such demand upon their resources instead of borrowing money for current expenses in time of peace for future generations to pay. But, Mr. Chairman, it is the old system. It is familiar to us all. History repeats itself. Every year of Buchanan's Administration the expenditures of the Government exceeded its revenues. Each year for the past three years we have had the same idea illustrated in the present Administration. The Bourbon of any times learns nothing and forgets nothing. [Laughter.]

In the old days, it is true, free trade harmonized with the labor system which existed in nearly one-half of the country. At that time and under those conditions there was some little reason in their free-trade theory. Capital owned its labor, and it must furnish clothing, provisions, houses, and everything for its substance, and it had no interest in the elevation or the advancement of labor. At that time and under those conditions free trade had something upon which to rest. The owner of labor would buy the cheapest products of the Old World—products of the poverty-stricken labor of the old nations of the world, because capital thought it could get it at less price than it could purchase the same articles at home. They must furnish their labor, and they would do it at the lowest possible cost. But what was a seeming reason for that system at that time has passed forever away. From

the Gulf to the Lakes and from ocean to ocean, with a people homogeneous in ideas and institutions, and everywhere with the same great stake and interest in the advancement and well-being of labor, which does so much to add to the greatness and glory of a republic, the reason which existed for the old idea exists no more, yet the gentlemen who still cling to it, the same old idea, now call it "statesmanship." [Laughter.]

There is no longer any reason for the retention of the system which once existed, with the state of society, industries, and population that now exists, so different from the condition which formerly prevailed. Yet we still find supporters of the old theory and advocates of the same old principles.

In conclusion, Mr. Chairman, permit me to say that I know of no higher duty to-day for the lawmakers of this country than to provide a system for revenue that will meet all the expenses of the Government and provide for finally extinguishing the national debt. The McKinley bill was framed to reduce revenue. That was its title. There was no sham about it. It was made to reduce revenue. We had been paying throughout the entire term of Mr. Harrison's Administration $64,000,000 a year in extinguishment of the national debt. That was done under a revenue protective tariff policy begun under the leadership of the venerable Senator from Vermont, Mr. MORRILL, to whom belongs the credit of combining ad valorem and specific duties together in custom-house duties on the same article.

Under the system of revenue protection formulated at that time, and established and maintained by the Republican party for thirty years, two-thirds of the national debt of almost three thousand million dollars was paid before this Administration came into power. They have added $262,000,000 to the interest-paying debt of the nation, with a deficiency in revenues of $140,000,000 during the time they have been in power. How long can this system of revenue continue before this tariff—as the President assures us—will meet all the deficiencies in revenue? While the McKinley bill accomplished what it was intended to accomplish—a reduction of revenue—the prostrating of the business of the country by the change in Administration in 1892 caused too great a reduction. But had the times continued under the same political power, with the same policy prevailing in the Government, the McKinley tariff would have continued to raise enough revenue to pay the expenses of the Government and continue to discharge portions of the national debt annually, as required by the pledge of the Government in 1862, when the first issue of paper money was made.

Mr. Chairman, the gentlemen who compose the legislative department of the Government now and those who will come immediately after them will have no higher duty to perform than that of providing by law for raising sufficient revenue for all the expenditures of the Government by a system of revenue protection.

While we were all content and satisfied with what is known as the McKinley tariff, yet I think like good sportsmen we will all be ready and willing to bet our money on the tariff that will be framed and known hereafter as the "Dingley tariff bill." [Applause.]

Reorganization of the Union and Central Pacific Railroads.

REMARKS

OF

HON. GALUSHA A. GROW,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, January 7, 1897.

The House being in Committee of the Whole on the state of the Union, and having under consideration a bill for the reorganization of the Union and Central Pacific Railroads—

Mr. GROW said:

Mr. CHAIRMAN: Not expecting to discuss any of the features of this bill, I shall not trespass long upon the attention of the committee.

The gentleman from Texas [Mr. BELL] has just given us a statement of his plan for disposing of this important question. He informs us that under all the information the committee had received, if the road was sold under foreclosure proceedings, the first mortgage would be paid off, and perhaps one-half the Government lien, and possibly not so much. This is all that could probably be received from the foreclosure proceedings. And yet he proposes and assures us with great confidence that moneyed men will be ready to take the road and pay off the first lien and allow the Government lien to be made first lien at 3 per cent interest. Who will invest money in the purchase of property that is not worth, by your own showing, the amount of money that would have to be invested?

Supposing, for instance, that the road should sell for $5,000, or $10,000, we will say; the Government lien is $2,000, the first lien is $8,000. Now, by the testimony, according to the gentleman's own statement, if sold, the $8,000 would be paid and $1,000 on the second lien. That is all the property is worth. It would bring $1,000 less than the amount of the investment. Who is going to invest money to make a first lien of our second one? Why should they make it a first lien? That is not a Yankee speculation, and if the gentleman had come from one of the New England States, where the boys serve apprenticeship in making wooden nutmegs, he would not have much confidence in such a proposition.

Now, Mr. Chairman, we represent the United States here as a board of directors, having a junior lien on property.

The reorganization of railroads has been a common thing in the country during the past few years. The first rule in reorganization is that the junior creditor must be the loser, if anybody. If the property is not worth the first lien, then the junior has no remedy. If the property is not worth both liens, the junior loses, not the first creditor. Now, we are here as junior creditors——

Mr. HUBBARD. May I ask the gentleman a question?

Mr. GROW. Yes.

Mr. HUBBARD. Suppose you have a second mortgage for $10,000 on a piece of property. You are preceded by a mortgage of $8,000 on that property. If that property shows by its net earnings that it would earn a sufficient amount of money to pay a fair rate of interest, say 4 per cent, on the entire debt, would you permit the first lien to be foreclosed without bidding for it and protecting yourself?

Mr. GROW. The gentleman can make all the suppositions he pleases.

Mr. HUBBARD. That is not a supposition; it is a fact.

Mr. GROW. Gentlemen can make all the suppositions they please. The gentleman himself claimed that the only basis of value on railroad property is its earnings, and there is no use in issuing a bond beyond what the earnings will pay interest on.

Now, the first thing in reorganizing a railroad is the question of issuing new mortgages. There may be a first, second, third, or any number of liens. The first mortgage, if the property is good for anything, is a perfectly good security. Hence first mortgagees are not required to make much if any sacrifices, unless in a fair business way they might be required to reduce their rate of interest. In reorganizations everywhere the first point is the securing of the principal of each of the liens if it can be done. By reducing the rate of interest the principal of all liens may be saved. But without a reduction of the rate of interest and extension of time for payment some lien must lose. It is expected that the greatest reduction should be on the junior mortgage. Our junior mortgage has been receiving 6 per cent interest on its principal, and, as was shown by the chairman of the committee [Mr. POWERS], the Government has received back an amount substantially equal to the principal invested, if there had been no interest to calculate. The interest is calculated at 6 per cent, which is above the rates of interest paid by solvent debtors for a few years back. Six per cent is the interest reckoned to make up the sum that these people owe the Government. The junior creditor has been receiving a greater amount of interest on its money than his money was worth. Its principal has been paid back. What is owing now is only an accumulation of interest.

The question is, What can this property pay in indebtedness? That depends upon its net earnings, and if its net earnings are not enough to pay the interest on $10,000,000, there is no use of issuing $15,000,000, because it will be sure to go into bankruptcy again after its reorganization. There is no railroad in the United States, managed by any directors who are business men or whose stockholders have any business capacity, that expects upon reorganization of the property to have greater liens upon it than its net earnings will pay interest on.

As I said before, I do not propose to enter into the details of this question; but under the showings which have been made by gentlemen on both sides of this question, if you let this property go to public sale the Government can not collect the amount of its claim. That is conceded by the gentleman from Texas [Mr. BELL] in his proposition; and it is conceded on all hands, under the information which the committee bring before the House, that on a foreclosure and sale the Government must lose about one-half of its debt or perhaps more.

Now, Mr. Chairman, if I had my say, I would say to these people, "Pay the Government the largest amount of money that you can raise," and let us pocket the loss of the difference.

Mr. MAGUIRE. Is not that the thing to be done by foreclosure and sale?

Mr. GROW. The evidence is that foreclosure and sale will not give you your debt.

Mr. MAGUIRE. It will give you more than you can ever get in any other way.

Mr. GROW. Oh, no; it will not. We had a rate once on the public lands of this country of $1.25 an acre, and a proclamation was issued by the President. Who ever heard of an acre of public land at these sales selling for more than $1.25? Put up these railroads at public sale on foreclosure, and in my judgment, unless this Government raises the money to pay the first lien, they will not pay a cent more than the first lien, for the reason that——

Mr. MAGUIRE. We have testimony that they will sell for $120,000,000, which would give the Government $60,000,000.

Mr. GROW. There are some more suppositions and beliefs. With the testimony before us that these roads are not worth the first and second liens, what is the use in talking about somebody giving more than that amount on a supposition or belief?

Mr. MAGUIRE. This committee had no testimony taken; not a word of testimony was taken.

Mr. GROW. The gentleman from Texas who last spoke stated that they had gentlemen before them, and spoke of the whole evidence they had collected, and that they went into a full examination of the subject. He says that the Government could not get more than one-half of its debt from the sale of the property.

Mr. MAGUIRE. That testimony was unsworn statements.

Mr. GROW. What is your statement but an unsworn statement? [Laughter.] Your statement is just as good as theirs.

Mr. MAGUIRE. Exactly; and theirs is worthless and should not be acted upon.

Mr. GROW. And yours is worthless if you have not the money.

Mr. MAGUIRE. Mine is negative.

Mr. GROW. You have not got the money and do not guarantee that any amount of money would be paid. Money is the most timid of all things; and there is nothing more timid than $1,000,000 except $2,000,000. [Renewed laughter.] Moneyed men do not invest their money in any kind of enterprise without knowing as to its value; and when they have the net earnings of a railroad they know how to invest. If the evidence as to the net earnings do not show that they are sufficient to pay the interest on the first mortgage and on our lien, which is second, at a rate of interest not greater than 2 per cent on the bonds, why expect moneyed men to put their money into this property and give us a first lien and they take a second? There is no money circle in the world charitable enough to do that for our Government.

Should these roads be put up for sale on foreclosure, the Government would have either to take out of the Treasury money enough to pay the first lien, or the owners of the first lien will make the same combination that was always made when we made a sale of public lands by the Government, fixing the price at $1.25 per acre. There would be no probability of the Government realizing anything unless the Government pays the first mortgage. Are we ready to raise money and pay off the first lien? Right here let it be distinctly understood the Government has no more right in this case than any other junior creditor that has invested his money in an enterprise, I do not care what it is.

The Government passed a law in 1862, as was stated by the chairman of the committee [Mr. POWERS], when the bands of this Union were loosened, when the spirit of disintegration swept over the country, and when on the western limits of the country, over the Sierras, a spirit was growing up that if there was to be a dismemberment of the Union they would have a republic on the shores of the Pacific. The great motive for the passage of the act was to bind the country together, when the last spike was driven in the connecting rails of these roads that bound the Pacific to the Atlantic with iron and steel bands. At a time when the air vibrated with the boom of hostile cannon, and the continent shook under the tread of armed men, this enterprise was commenced, and it was an enterprise on the part of Congress of patriotism.

Congress did not care then whether the Government ever got back a cent or not if anybody would build the road; and a hundred million dollars would have been voted just as quickly if we could have had a certain guaranty that a road of this kind would be built within five years. If it had been proposed to make it a donation even, it would have passed that Congress, if necessary. It was not an investment of money for percentage of profit. It was an investment for a percentage in patriotism, an investment that would bind the Union together and hold it forever. While one-half, almost, of our territory was in arms against the other, that law passed. It was a year and a half before any capital made any move to build the Union Pacific. It stood for a year and a half without capital seeking it as an investment. We are told now that money is ready to take this road and pay off the first mortgage; and yet the evidence shows that it is not worth the amount of the first and second mortgage, and would not on foreclosure sale pay more than 50 or 75 cents on the dollar of our claim.

Mr. Chairman, to go back to my first point. We are a board of directors in council settling a plan for reorganizing a railroad, and to submit to the stockholders a proposition by which the road is to be reorganized and continued instead of being disintegrated and sold at foreclosure at whatever it will bring in the market. The Government has no more right, and in fairness and in business honesty, because we have a vote in our power to give as we please, we have no more right, as the junior creditor, to put an exaction upon the first mortgage than we would have as mensitting on the board of a private corporation and because of some power to do so we might have to compel the first-mortgage bondholders to release a part of their claim. We are bound in good business faith to do the same as we would as individuals (without any vote or power to coerce a particular course of action) of a board of directors in reorganizing a road in which we had individual interests as junior creditors.

Money seeks investment, and those who put money into great public enterprises are entitled to the benefits that come from them if they take the risk. In this case the capital of this country stood back a year and a half after we passed the law for giving the bonds and the public lands in aid of this enterprise. And right here permit me a diversion. I was always in favor, from the time the bill for the construction of a Pacific railroad came into the House, of passing it and building the road. I did not care what amount of bonds per mile were to be given, but I would not vote for the land grant, because in my whole life I never gave voice or vote for any disposition of the public lands except to actual settlers. Hence I was opposed to the land grant and would

not vote for it, and as I could not vote for the bill without it, I am not on the record either one way or the other. If I stood in the same position to-day, I should favor the bill for bonds, caring nothing about what amount per mile should be given if necessary to secure the building of the road; but I would withhold the land grant, and if necessary I would make the amount of bonds large enough to take their place—if absolutely necessary. But that is, among the bygones, and I refer to it now only as a historic incident of a personal character.

Mr. Chairman, the question is now, What shall we do in this case? We are legislators voting to give legal power for reorganization to those who invested their money in a great enterprise. It was an enterprise which has made the dream of Columbus a reality. The people of the land of his birth now go westward to find the Indies. It opened this great central line of communication around the globe. Our Government invested $64,000,000 of bonds in that great undertaking, and now legislation is necessary for reorganization, and we as legislators, in dealing with this question, have no more right to govern our action according to our view of the character of the men who engaged in the enterprise and carried it through than we would have in dealing with any merely individual enterprise. Neither this enterprise itself nor the men who carried it to success ever received from the Government one bond more than the law gave them. The law fixed the amount at so much per mile, and they never received one dollar in bonds or one acre in land more than the law gave. If they could make money out of the enterprise under those conditions, that was their good fortune. They took the risk of losing it.

The Central Pacific Company, under a law of California, first commenced work, and soon after Congress passed the law for the building of the roads was in full force in construction. When the idea of building a railroad to the Pacific was first taken up, three railroads were in contemplation. One was to be a southern road and there was a controversy between the city of Memphis and one or two other points in the South as to which should be the eastern terminus of the Southern Pacific. Another was to be a northern road, starting somewhere on Lake Superior, and, of course, there was to be this great central road. These projects of three lines across the continent were presented to Congress before the time when a part of the people's representatives here went forth to the battlefield to destroy the Union of our fathers.

Soon after that event this single line was started, and the effort was made to have it completed in as short a time as possible. That effort was successful. The enterprise has been accomplished. The country has received its benefits. We, sitting here to-day, are not required to determine whether the legislation of that day was wise or unwise, or whether the men who engaged in that great enterprise have made money or have lost money by it. Neither are we to inquire whether they have managed their railroads differently from the way the directors and stockholders in other enterprises have managed their roads. The question before us is not one that we can settle by the main strength of our votes if we propose to act fairly and justly with the men who invested their money in this great enterprise which originated in legislation for the unity and benefit of the country and of mankind. [Applause.]

2617

O

SPEECH

OF

HON. GALUSHA A. GROW,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, January 21, 1897.

On contested election case of Yost against Tucker.

Mr. GROW said:

Mr. SPEAKER: There has been brought into this discussion a vital and fundamental question affecting the Government itself. Upon that I propose to speak, and not upon any question of facts involved in this case. A hundred and twenty years ago a Virginian announced, in language that will live as long as the spirit and genius of free institutions exist among men, that governments derive their just powers from the consent of the governed. Legislation only fixes the mode and manner of ascertaining that consent. Three hundred and fifty-seven Representatives sit upon this floor representing what and whom? Representing the people of the United States, and the consent of the people of the United States is embodied in the ballots of those voting and having the qualifications of voters as fixed by each State for the most numerous branch of their legislature. When they have thus fixed the qualifications of the voters, that class of voters are our direct constituents; and they represent the people of the United States.

This House are their Representatives in lawmaking. The Senate of the United States represents them in the same capacity. Different modes and forms for the election exist in the two cases; that is all the difference. The legislatures of the States, when they fix the qualifications of the voters, have no more to do, and the voters so qualified become our constituents, and it becomes our duty to see that their will is respected in the forms provided for its expression. The legislature of the State fixes the mode and manner by which the will of the voters is to be gathered, and we sit here as judges, in contested-election cases, to determine what part of the rules and regulations made by the States we will consider mandatory and what part directory.

How can we discharge that duty wisely and well? For myself, as a judge in an election case, I should hold all regulations of a State legislature made for the purpose of gathering the will of the quali-

fied voters as merely directory so far as those regulations interfered in any way with the free and fair expression of the voter's will. The qualified voter has a right to express his will and to have that expression embodied as he makes it, and any regulation of a State legislature that is calculated to distract the voter or to enable anybody with fraudulent intent to defeat his will we are bound to hold as merely directory. A court that will construe the laws of a country so as to destroy the spirit and genius of the institutions of that country deserves impeachment, either for want of capacity or for want of a true appreciation of the spirit of those institutions. [Applause.]

We sit as a court of judicature in dealing with these election cases. The judges of the State courts pass upon the laws of the legislatures of the States for all State purposes. They determine what is mandatory and what is directory in the laws that govern the ordinary relations of life within the State, but we are the tribunal to determine whether the free electors of this country have had a fair opportunity to express their will at the ballot box, and where their ballots show clearly and unmistakably upon a commonsense view what their will was and when we can ascertain it, it is our duty to give force to that will by seating the Representative they have selected. The State rules and regulations should be made in aid of ascertaining the consent and will of, not to defeat the will of, the constituency of the lawmakers. I trust the day will some time come when a Senator of the United States will regard himself as representing the people of the United States and not as an ambassador coming into the court of Congress for some petty community, living within some geographical limits with a local name, and will hold that his highest duty and obligation is to the Government from which he draws his salary and whose honors he enjoys and which Government protects the people in the State where he lives against domestic violence and foreign invasion.

We sit as a court to determine what the will of the legal voter is, if he expresses it plainly and unmistakably upon his ballot before he deposits that ballot in the box, and the forms and rules that the State has established to govern him in so expressing his will by his ballot can not defeat that will by requiring him to be responsible for the proper discharge of the duties required by law of the boards of election. I know that in the Fifty-third Congress a Democratic majority in this House decided, in the case of O'Neill against Joy, that the voter was responsible for the proper discharge of the duties required of the election boards, a doctrine destructive of the whole spirit and genius of free elective government.

The voter is supposed to know the law that applies to himself and the law that directs him how to prepare his ballot. He must conform, to the best of his ability, to such requirements of law or attempt to do so, but there his responsibility ends. To illustrate my idea: The law of Missouri provided that the ballot should contain the names of all the candidates, and that no other ballot than the official one should be used at the election. That was just and proper. Assuming that there would be more than one political party represented on the boards of election, the law provided also that every ballot, when given to the voter, should have on the back of it the initials of two of the judges of election. The testimony in the case disclosed the fact that in most of the boards every member was a Democrat, and they thought it was of no

consequence that two of them should put their initials on each ballot; so a large number of ballots had but one initial or name upon it. The Democratic majority in this House threw out the ballots of those voters and thus neutralized the will of the voter in that case, because the boards of election had not done what was required of them by the law, and thus they made the voter responsible for the failure of the members of the election boards to perform their duty. On a technical construction of the law, if it should be held in such case to be mandatory, the legal voters are deprived of their rights. If we are to permit the legislatures of the States to fix the rules and regulations, and are to regard them as mandatory when they defeat the will of the voter if so construed, the result would be, in many instances, to enable the boards of election to defeat the will of the constituents who elect the members of this House. As a court construing laws, we can not construe them so as to defeat the will of its constituents.

Mr. Speaker, there was no charge of fraud in the Missouri case to which I have alluded. It was conceded on all hands that that election was honestly and fairly conducted and that the votes were counted as they had been deposited in the boxes; but when the case came before Congress the Democratic majority then in this House decided that because two of the judges of election in each case had not put their marks upon the ballots as required by law, though one of them had, therefore the ballots were invalid, and they threw out all such votes that had been counted by the boards of election and gave the seat to the Democrat and turned out the Republican who held the certificate of election based upon the returns of those Democratic boards. Mr. Speaker, such a decision as that I do not think should be respected as a precedent by the American Congress. Supposing the board——

[Here the hammer fell.]

By unanimous consent, Mr. GROW's time was extended for three minutes.

Mr. GROW. The decision of the House in that Missouri case was made on the claim of the statute being mandatory. It was a strict construction of legality which defeated equity, which I regard in all cases as wrong. Suppose an election board corruptly designing to cheat the voter and neutralize the effect of his vote, if such a regulation of law as that which existed in the Missouri case is to be held as mandatory, what would they have to do? No matter which party has control, if they desire to cheat the voters, all they will need do is to agree among themselves and say, "The law requires two of us to mark each ballot; now, when a man belonging to the opposite party comes to vote, one of us will mark his ballot, and that will throw it out; then when a voter of our own party comes up, two of us will mark his ballot, and that will be counted." Is it not clear that such a construction of State laws and regulations would enable a corrupt election board to defeat the will of the voters in every case? In this case which is under consideration the law requires that where a voter undertakes to erase the name of a candidate for whom he does not desire to vote the scratch which he makes in erasing the name must cover at least three-fourths of the name. Suppose a candidate's name to occupy 2 inches; if the pen or pencil with which the erasure is made does not run through an inch and a half of that name, then the ballot is worthless. If the erasing line is an inch and three-eighths long the ballot is bad, but if it is an inch and four-

eighths long the ballot is good! The election boards would have to have a rule with an infinitesimal scale with which to measure the scratches upon the ballots in order to find out which were legal votes and which were not.

Mr. Speaker, without trespassing further on the attention of the House or upon the kindness of the gentlemen who have yielded me time. I say in conclusion simply this: The will of the voter is the supreme law of the land in this country. It is the great fundamental principle of free government that its powers are derived from the consent of the governed, and to ascertain that consent is the highest duty and obligation of everybody who sits as a court, whether in a legislative hall or in the civil tribunals of the country. [Loud applause.]

2898

WAR WIDOWS' PENSIONS.

REMARKS

OF

HON. GALUSHA A. GROW,

OF PENNSYLVANIA,

IN THE

HOUSE OF REPRESENTATIVES,

February 9, 1897.

WASHINGTON.
1897.

REMARKS

OF

HON. GALUSHA A. GROW.

The House having under consideration the bill (H. R. 1139) granting a pension to Caroline D. Mowatt, with the veto message of the President—

Mr. GROW said:

Mr. SPEAKER: This bill, vetoed by the President, restores a pension of $25 a month to a widow over seventy years old. Her husband enlisted in the Union Army, was honorably discharged, and died of disease the result of Army service. She received a a pension of $25 a month as his widow, which she continued to receive till her second marriage, in 1869. She lived with her second husband until his death. But for this second marriage she would now be receiving a pension of $25 a month, and which pension she would have received since 1869. By reason of her second marriage the Treasury is the gainer of an amount of money greater than she could possibly receive, unless she should live to be over a hundred years old. This bill simply restores her to the pension roll at the same rate she was receiving as the widow of the soldier whose wife she was during his term of service.

The President interposes a veto on this discretion of Congress, for the only reason that the passage of the bill would be a bad precedent. The precedent for this kind of legislation began, as the House has just heard from the speeches of the gentleman from New Hampshire [Mr. SULLOWAY] and the gentleman from Illinois [Mr. WOOD], in 1836, by an act of Congress, signed by President Jackson, pensioning the widows of honorably discharged soldiers of all wars prior to that time. The only thing about this bill bad as a precedent is that it does not include all the widows of honorably discharged Union soldiers who were married before the close of the war and who are widows at the time of their application for a pension. It is a disgrace to the statute book of this country that it places a ban upon the widow for her second marriage. The service she rendered her country as the wife of the soldier in the field is no less meritorious because of her second marriage, after the death of her first husband.

Mr. Speaker, The beginning of war is merriment, music, and thoughtless hilarity; its end numberless headstones bearing the single word "Unknown," tears, and desolation, followed by long years of sorrow by the widow and the orphan mourning at disconsolate firesides the unreturning brave. The Government grants bounties for meritorious service rendered in the times of its imperiled existence. In the calendar of acts of heroic, self-sacrificing fortitude developed by war, there is none greater than that of the young mother standing in the doorway of her humble cottage, with a tender infant in her arms, and bidding its father

go forth to the battlefields of his country in defense of the inalienable rights of mankind. Then retiring to her lonely fireside, there to wait and watch through weary years, in alternate hope and fear whether that father will return with his shield or upon it, thus leaving her homeless and that child fatherless to grope their way in sorrow along life's thorny pathways. But should he return from victorious battlefields wounded and maimed, thus adding to her daily labor and care through lingering years, and when death lays his cold hand on the sharer of her joys and sorrows, why should the Government in that time of her greatest need withhold the bounty promised for meritorious service rendered the country in the hour of its direst peril? With the exception of the bayonet charge, the forlorn hope, and the clash of arms in battle, the trials, the toil, and the privations of the wife at home are scarcely less than those of the soldier on the tented field. A nation owes a debt of lasting gratitude and enduring obligation to the men who peril their lives amid shot and shell in its defense, and it owes a like debt to the wives and the mothers of its brave defenders.

At the domestic fireside is inculcated the patriotism and love of liberty which, when the times of trial come, inspires the great deeds of heroic self-sacrifice in their behalf. The last injunction of the Spartan mother, with her parting kiss, to her darling boy going to battle, was to return with his shield or upon it. Thus was instilled into the youth of Sparta at their mother's knee the manly sentiment, nobly to live or bravely to die. Under such influence Sparta through the ages of its renown reared a race of invincible warriors, when war consisted of single combats, man to man, armed only with spear, broadsword, and shield. The shield a breastplate of defense for the soldier while living; and should he fall bravely in battle, it was the bier upon which he was borne back to his home, there to sleep forever beside his country's honored dead.

The war widows of the Union Army in this mightiest conflict of arms in the history of the race are a class of meritorious pensioners not large in number, the youngest of whom must now be over fifty years old, and the last of whom will, with the frosts of a few more winters, be gathered to their earthly companions in the bivouac on "fame's eternal camping ground." This Spartan mother named in this bill, caring for and watching over the home of the soldier while periling his life on his country's battlefields at the end of each day, with her little ones around her, closed her eyes in sleep for the night with a shuddering doubt whether their earthly protector would be numbered in the coming morn with the living or the dead. And the President would have her close her eyes in her last sleep on earth with gaunt poverty sitting at her fireside and sorrowing want surrounding her deathbed. It may well be said the Republic is ungrateful to its brave defenders if its lawmakers permit such injustice to the living and wrong to the dead. [Loud applause.]

[Cries of "Vote!" "Vote!"]

On the question, Will the House on reconsideration pass this bill, the objections of the President to the contrary notwithstanding?

Yeas 143, nays 54.

O

RIGHTFUL OWNERSHIP TO THE SOIL.

SPEECH

OF

HON. GALUSHA A. GROW,

OF PENNSYLVANIA,

IN THE

HOUSE OF REPRESENTATIVES,

Friday, February 19, 1897.

WASHINGTON.
1897.

SPEECH

OF

HON. GALUSHA A. GROW.

The House being in Committee of the Whole on the state of the Union—

Mr. GROW said:

Mr. CHAIRMAN: Forty-five years ago it was my privilege in this presence to advocate the right of the pioneer settler to his home; and now it is my privilege in the same presence to advocate his rightful ownership in the soil. In 1889, and immediately thereafter, treaties were made with various Indian tribes for their lands in Oklahoma, Nebraska, Minnesota, North and South Dakota, Idaho, Montana, Washington, and Oregon. After the ratification of these treaties, and entirely independent of them, Congress passed laws relative to each of these acquisitions, requiring persons who should settle upon them to pay into the Treasury at the end of five years from $1 to $3.75 per acre. This was an abandonment, so far as these lands are concerned, of the free-homestead policy which applies to all other public lands. The price exacted by the Government for these lands is greater, and in some cases much greater, than the price which existed for any of the agricultural lands of the Government previous to the passage of the free-homestead law. The object of this bill is to put the lands acquired by these treaties under the same homestead provisions as now exist for all other lands heretofore acquired by treaties with Indian tribes or in any other way, and relieve them from imposition of greater hardship and injustice than was ever imposed upon the actual settlers under our land system since the foundation of the Government, when the lands were sold to the highest bidder. This was an innovation on the provisions of the free-homestead policy, and that is the reason I desired to call the attention of the House to the bill now pending as a Senate amendment to the House bill.

This House, in the last session of Congress, passed a bill relieving the settlers in Oklahoma, and it went to the Senate. It was amended there by including all settlers similarly situated on all the public lands of the United States; and it comes back and is pending here on our Calendar. Whether we will have an opportunity to act on it or not I can not say. But after a contest during my former entire Congressional service to secure relief to the pioneer settlers, who have converted our wilderness into blooming fields, and who have established civilization on the ruins of savage life, I was not willing that this session should close without having public attention called to the hardship and injustices imposed upon the settlers on the public lands affected by this bill.

On the 30th day of March, 1852, my first speech as a member of Congress was made in the Old Hall of the House of Representa-

tives, on Man's Right to the Soil. From that time forth, in season and out of season, the policy of free homes for free men was kept constantly before Congress until the 27th day of May, 1862 (to take effect January 1, 1863), when it became the law of the land by the signature of the unlettered child of the prairies, Abraham Lincoln, after I had signed the enrolled bill as Speaker of the House.

There are two interesting incidents connected with the final passage of the original free-homestead bill. First, it took effect on the day of Lincoln's emancipation proclamation. Second, the first settler under the homestead bill, which provided free homes for free men, was named Freeman. Daniel Freeman, of Beatrice, Gage County, Nebr., was a Union soldier, home on a furlough, which would expire on the 2d or 3d day of January, 1863. At a little past midnight on the 1st day of January, 1863, he made his entry in the land office of his district and left his home the same day to take his place again in the ranks on the tented fields. His entry was No. 1, his proof of residence was No. 1, his patent was No. 1, recorded on page 1, of book 1, of the Land Office of the United States. The first settler under this law was a Freeman, and I trust the last of its beneficiaries in the long coming years of the future will be a free man. [Applause.]

The Congress of the United States was the first legislative body of any nation in the world's history, so far as I know, to set apart or attempt to set apart its public domain in homes for its citizen, without money and without price. There had been many efforts made, reaching far back into antiquity, for limiting the number of acres that might be acquired by a single individual, and for preventing or restricting the acquisition of lands by the few, and for a division of public lands among different classes of the people. Four hundred years before the Christian era, Licinius Stolo, a Roman citizen of plebeian birth, was elected tribune of the Commons. He procured the passage of a law, which in history bears his name, restricting the acquisition of the public lands by any one individual to 500 jugera—about 350 acres. During his term of office he also secured the passage of other regulations to prevent the patrician class from monopolizing the lands acquired by conquest or purchase. Two hundred and fifty years later Tiberius Gracchus, of patrician birth—his mother being Cornelia, daughter of Scipio Africanus—was elected tribune of the Commons. He espoused the cause of the plebeians and became their recognized leader. He attempted to revive the old Licinian law, which had fallen into disuse, and lost his life in his efforts to secure a more equitable division of the public lands and to provide for their cultivation by free men instead of slaves. A little later his brother, Caius Gracchus, was elected tribune of the Commons, and he, too, lost his life in endeavoring to secure the reforms advocated by his brother.

Had Rome adopted the policy advocated by the Gracchi, of distributing the public lands among the landless of her citizens, and securing their cultivation by free men instead of slaves, the eagles of the Roman commonwealth might have floated in triumph long after the ivy twined the broken columns of the imperial palace of her Cæsars. For when at last the barbarian from his wilderness home came with torch and spear to the very walls of the Eternal City, there was no longer an independent yeomanry with homes to defend, or a great patriotic laboring people to bare their

bosoms in its defense; and the seven hills falls an easy prey to the Goth and Vandal; and Italy, proud mistress of the world, is overrun by rude warriors. The bat and the owl build their nests in the crumbling walls of her Coliseum, the grandest architectural ruin of all antiquity.

From the death of the Gracchi through the more than twenty centuries of subsequent history many attempts had been made in various nations to change the tenure of lands or to provide for their distribution among different classes of the people. But through it all there was a universal consent that the title and rightful ownership in the soil of the earth's surface was in the king or the ruling class, called the State, and that the public domain might rightfully be held as a source of revenue or be doled out in vast manors to court favorites or granted in unlimited quantities in donations and charities. In 1846, Felix Grundy McConnell, a member of Congress from Alabama, introduced in Congress a bill which provided that any head of a family might enter 160 acres of land on filing affidavit that he or she intended to cultivate it for five years and was "wholly unable to pay the minimum price fixed by law." This bill by its very terms was a mere charity and it was so intended. It asserted no principle as to the rightful ownership in the soil or any general policy for the disposition of the public lands. Nothing was done with it after its introduction. Of the many propositions and legislative measures proposed in this country and others relative to the disposition of the public domain, the free-homestead law, passed by the American Congress in 1862, is the only one to my knowledge that was based on the great fundamental principle, founded in nature and natural law, that whoever applies his labor to an unoccupied portion of the earth's surface in its cultivation, seals his title of rightful ownership thereto in the sweat of his face as it moistens the soil he tills. [Applause.]

For ten years after my first entry into Congress, the all-absorbing question of legislative discussion in these Halls, next to that of restricting slave labor institutions to their then existing limits, was the question as to the proper and best disposition to be made of the public lands. For final success in legislation, the policy of setting them apart in free homes for actual settlers had to be divested of the idea that it was one of charity or Government bounty. If that was the case, it could have no permanent place in legislation. To secure such place, it must be recognized, both by lawmakers and the people, as a fundamental right, belonging to the settler, of which he could not justly be deprived. From the first, therefore, I endeavored so far as my ability would permit to enforce the position that the Government should stop all sales of the public lands and confine their occupancy in limited quantities to the actual settler alone, and that this ought to be done as an act of justice to the settler as well as sound policy for the Government. Hence my voice and vote were always against any other disposition of the public lands. The discussion of the question finally culminated in the enactment of the free-homestead law as the fixed policy of the Government in the manner already stated.

In support of the present Senate bill I will read an extract from the speech delivered in the Old Hall before a majority, or very near it, of the members of this House were born. It will, therefore, if they have not been diligent readers of the Congressional Globe, be as new to them, if not to the rest of the House, as anything I

might utter at this time. And I am sure it will be quite as conclusive in argument. Before doing so I ask unanimous consent to print as an appendix to my present remarks part of the speech made in 1860 on the homestead law before its passage. The history of the acquisition of the public lands which it contains and the reasons urged for the passage of the bill then pending are all equally applicable to the pending Senate bill.

The CHAIRMAN (Mr. SHERMAN). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Extract from speech made March 30, 1852, on Man's Right to the Soil.]

"But even if the Government could derive revenue from the sale of the public lands, it is neither just nor sound policy to hold them for that purpose. It is well sometimes to go back of the authority of books and treatises on human rights, composed by authors reared and educated under monarchical institutions, and whose opinions and habits of thought consequently have been more or less shaped and molded by such influences, and examine by the light of reason and natural law the true foundation for governments and of the inherent rights of man.

"The fundamental rights of man may be summed up in two words: Life and happiness. The first is the gift of the Creator, and may be bestowed at his pleasure; but it is not consistent with his character for benevolence that it should be bestowed for any other purpose than to be enjoyed; and that we call happiness. Therefore, whatever nature has provided for preserving the one or promoting the other belongs alike to the whole race. And as the means for sustaining life are derived almost wholly from the soil, every person has a natural right to so much of the earth's surface as may be necessary for his support. To whatever unoccupied portion of it, therefore, he applies his labor for that purpose, from that time forth it becomes appropriated to his own exclusive use; and whatever improvements he may make by his labor becomes his property and subject to his disposal.

"The only true foundation for any right to property is man's labor. That is property, and that alone, which the labor of man has made such. What right, then, can the Government have in the soil of a wild and uncultivated wilderness as a source of revenue, to which not a day's nor an hour's labor has been applied to make it more productive and answer better the end for which it was created, the support and happiness of the race?

"It is said by Blackstone in his Commentaries that—

"There is no foundation in nature or natural law why a set of words upon parchment should convey the dominion of land. The use and occupancy alone gives to man an exclusive right to retain in a permanent manner that specified land, which before belonged generally to everybody, but particularly to nobody.

"It may be said, true, such would be man's right to the soil in a state of nature; but when he entered into society he gave up part of his natural rights, in order to enjoy the advantages of an organized community. This is a doctrine, I am aware, of the books and treatises on society and government. But it is a doctrine of despotism, and belongs not to enlightened statesmen in a liberal age. It is the excuse of the despot in encroaching upon the rights of the subject. He admits the encroachment, but claims that the citizen gave up part of his natural rights when he entered into society; and who is to judge what ones he relinquished but the ruling power?

"It was not necessary that any of man's natural rights should have been yielded to the state in the formation of society. He yielded no right but the right to do wrong, and that he never had by nature. All that he yielded in entering into organized society was a portion of his unrestricted liberty. What he yielded was that he would submit his conduct, which before was subject to the control of no living being, to the tribunals to be established by the state, with a tacit consent that society, or the government, might regulate the mode and manner of the exercise of his rights. Why should he consent to be deprived of them? It is upon this ground that we justify resistance to tyrants. Whenever the ruling power encroaches upon the natural rights of men so far that an appeal to arms becomes preferable to submission, they appeal from human to divine laws, and plead the natural rights of man in their justification. That government is just, and that alone, which enforces and defends all of man's natural rights, while protecting him against wrong by his fellow-man.

"Is it not time to sweep from the statute book its still lingering relics of feudalism, to blot out the principles ingrafted upon it by the narrow-minded policy of other times, and adapt the legislation of the country to the spirit of the age and to the true ideas of man's rights and relations to his government? If a man has a right on earth, he has a right to land enough to rear a habitation on. If he has a right to live, he has a right to the free use of whatever nature has provided for his sustenance—air to breathe, water to drink, and land enough to cultivate for his subsistence, for these are the necessary and indispensable means for the enjoyment of his inalienable rights of life, liberty, and the pursuit of happiness. And is it for a Government that claims to dispense equal and exact justice to all, and that has laid down correct principles in its great chart of human rights, to violate those principles and its solemn declarations in its legislative enactments?

"The struggle between capital and labor is an unequal one at best. It is a struggle between the bones and sinews of men and dollars and cents. And in that struggle is it for the Government to stretch forth its arm to aid the strong against the weak? Shall it continue by its legislation to elevate and enrich idleness on the wail and the woe of industry? If the rule is correct as applied to governments, the same as to individuals, that whatever a person permits another to do, having the right and means to prevent it, he does himself, then indeed is the Government responsible for all the evils that may result from speculation and land monopoly in the public domain.

* * * * * * *

"If you would lead the erring back from the paths of vice and crime to virtue and to honor, give him a home; give him a hearthstone, and he will surround it with household gods. If you would make men wiser and better, relieve the almshouses, close the doors of the penitentiary, and break in pieces the gallows, purify the influences of the domestic fireside; for that is the school in which human character is formed, and there its destiny is shaped. There the soul receives it first impress and man his first lesson, and they go with him for weal or for woe through life. For purifying the sentiments, elevating the thoughts, and developing the noblest impulses of man's nature, the influences of a moral fireside and agricultural life are the noblest and the best. In the obscurity of the cottage, far removed from the seductive influences of rank

and affluence, is nourished the virtues that counteract the decay of human institutions, the courage that defends the national independence, and the industry that supports all classes of the State. Man, in defense of his hearthstone and his fireside, is invincible against a world of mercenaries. In battling for his home and all that is dear to him on earth, he is never conquered save with his life. In such a struggle every pass becomes a Thermopylæ, every plain a Marathon. With an independent yeomanry scattered over our vast domain, the 'young eagle' may bid defiance to the world in arms. Even though a foe should devastate our seaboard, lay in ashes its cities, they will have made not one single advance toward conquering the country, for from the interior would come its hardy yeomanry, with their hearts of oak and nerves of steel, to expel the invader. Their hearts are the citadel of a nation's power, their arms the bulwarks of liberty.

"Every consideration of policy, then, both as to revenue for the General Government and increased taxation for the new States, as well as a means for removing the causes of pauperism and crime in the old, demands that the public lands should be granted in limited quantities to the actual settler. Every consideration of justice and humanity calls upon us to restore man to his natural rights in the soil."

The only reason now claimed why the settler should pay from $1 to $3.75 per acre to the Government for the lands acquired under these recent treaties is that the Government bought them of the Indians. The Secretary of the Interior gives as a reason for requiring this payment that "it would not be proper to burden the people of the whole country in order that land might be acquired for the purpose of giving free homes to a very small proportion of them." This language and the idea are almost identical with those used by Mr. Buchanan in his veto of the first homestead bill passed by Congress. In that message he said: "This bill will prove unequal and unjust in its operations, because from its nature it is confined to one class of our people." That is true, but it is a class without restriction and discrimination, and the class to whom the lands rightfully belong—the class whose labor adds so much to their value, while contributing so largely to the development and growth of the country and its general welfare.

What property rights did the Government acquire from the Indian by these later treaties different from those acquired by all other treaties heretofore made? The Government paid him or has agreed to pay him for what? Just what the Government has always acquired heretofore in the treaties which have been made from time to time since the landing of the Pilgrims.

The Government secured by such treaties the willing consent of the Indian to move onward, leaving the pioneer settler to rear his cabin home on his receding footsteps, without fear or danger of torch or tomahawk. No matter how much money the Government pays or agrees to pay for such a purpose, it is far better and more humane thus to secure his willing consent to leave his old hunting grounds and find new ones than to drive him forth with powder and ball.

Mr. FARIS. Mr. Speaker, will the distinguished gentleman permit an interruption and a question?

Mr. GROW. Certainly.

Mr. FARIS. I desire to preface my question with the admission of my great interest in what the gentleman has said, and call attention to the fact that we have witnessed a remarkable scene

in this House by the gentleman incorporating in his remarks utterances that were made by him in this presence longer ago than many of us have been living, in substantial harmony with his present views. I desire to ask the gentleman, as an incident in his distinguished career, if he has in all these years espoused with the same fidelity and the same consistency other great public questions so happily maintained by him in the matter he is now discussing? I ask him this as a matter for our information.

Mr. GROW. Mr. Speaker, I do not know of any inconsistency in my public career. As the gentleman has appealed to my egotism, I will say that if I had my life to live over I would not change my action on the great political questions upon which I have been called upon to act, whether as Representative or private citizen.

Mr. FARIS. Mr. Chairman, I interrogate my distinguished friend as a matter of information to us who are enjoying his speech, and without the least reflection that he was inconsistent in his public career. My thought is respectful and deferential.

Mr. GROW. I so understand the gentleman. I may have been wrong; but there is no vote I ever gave in this Hall as a representative of the people that I would change if I was called upon to vote again under like circumstances. [Loud applause.] My maiden speech as a Representative in Congress was made on the right of the pioneer settler to his home, without money and without price, for the reasons stated in part in the extract just read. I have continued in that same sentiment.

In my early boyhood that portion of northeastern Pennsylvania immediately around my home was somewhat of a wilderness. The first settlers there were, most of them, just building their log cabins, with tall forest trees in close proximity on every side. A sled path winding among these trees led out to the grist mill, post-office, store, and blacksmith shop of the neighborhood. By the labor of the settler alone the forest was to be felled, the land cleared, a family supported, and the claimant to the soil was to be paid. So long years of ceaseless toil must intervene before the settler could call his humble cabin home his own. As I passed along these winding sled paths, not infrequently would the query arise with myself, Why should this man for years contribute all his earnings, save a scanty support for his family, to some person living miles away, whose only claim to the land was that years before the claimant or his ancestors sent a surveyor and axman, and by blazed trees marked a surveyor's line through the forest?

At a later period, as a student in the schools the query came, as it comes to all in the course of historic reading, What was the cause of the unexampled prosperity and greatness of some nations at one period of their existence and their subsequent decay and utter ruin? This question, under the head of the Rise and the Fall of Empires, is the great puzzle of all philosophizing on the real causes of national decay. I closed my course of historic reading in the schools with the firm conviction that no nation ever yet died or ever will, no matter what the extent of its territory or how vast its population, if governed by just laws and its people are imbued with a spirit of humanity as broad as the race.

On reading in Hooke's History of Rome a description of the condition of Italy more than two thousand years before, as given in a speech by Tiberius Gracchus, then a tribune of the people, my early, crude idea was greatly strengthened that the true policy for a government was to secure its unoccupied public lands in lim-

ited quantities to the landless of its people, and to prevent by law so far as possible the earnings of labor from being absorbed in any other way than the making of the laborer's home comfortable and his fireside happy. After leaving school and entering a law office, I read in Blackstone's Commentaries—the first book given to a law student—that—

> There is no foundation in nature or natural law why a set of words on parchment should convey the dominion to land. The use and occupancy alone gives to man an exclusive right to retain in a permanent manner the specific land which before belonged generally to everybody, but particularly to nobody.

From that time forth the crude idea and shadowy opinion which had flitted through my brain in casually observing the labor and trials of the early settlers near my home became a fixed conviction as to one of the fundamental rights of man. The other conviction is equally fixed—that governments are bound to see to it, so far as possible, that none of the earnings of labor are taken from the laborer without returning an equivalent for those earnings alone are all he has to make his home comfortable and his fireside happy. The pillars of empires and states rest upon the comfort and happiness of the fireside of labor. [Applause.]

Why should the settler be required by his Government to pay for the privilege of occupying a portion of an uncultivated wilderness, just as it was when created by the God of nature and in the same condition in which it was when the morning stars sang together? What equivalent does the Government return to him when it takes $1 or $3 or more an acre from his hard earnings, which he needs to make his home comfortable, to build the church and the schoolhouse, to develop all the elements of a higher and better civilization? This legislation, which was begun in 1889, is a greater wrong to the settlers upon those lands than was ever perpetrated by the Government under the old system of selling the public lands to the highest bidder, and for that reason I desire to call the attention of the House to the fact that there is a bill pending to correct this wrong. Pay the Indian whatever the Government agrees; I care not what the amount is. But what rightful claim of ownership can he have or anybody else in the soil of a wilderness without cultivation? The only evidence of the occupation of the land by the Indian is his moccasin trail through the forest or along the banks of its winding streams. He bounds his claim of ownership by rivers and mountain ranges, and within these circumscribed limits he claims ownership not only to the land but to the wild beasts that hide in its jungles; to the fish that swim in its running waters, and in the birds of the air that disport in the foliage of its green forests.

The evil spirit standing beside our Saviour on the high mountain, overlooking the kingdoms of this world and the glories thereof, had just as good title and rightful ownership in them all as has the Indian standing on the highest mountain peaks of a continent, and claiming ownership as monarch of all he surveys, because his ancestors, in the years of the bygone, roamed over it with fishing rod and bow and arrow, and at a later period with shotgun and rifle, their only implements of husbandry and civilization. But their claim of title and ownership in the soil of an uncultivated wilderness is just as good as the claim to a continent by the mightiest monarch of the nations because a subject of his was the first white man to gaze upon its shores, or to sail across one of its flowing rivers. The right of discovery, so long recognized by the nations, is well enough when applied, as it should be, to the dominion

over the institutions—the social organisms—that may be established by or for the inhabitants of the newly discovered country. But how can discovery confer any rightful ownership to the soil, any more than to the atmosphere that floats over it, or to the waters that rush from its mountain sides to the sea? How can the Indian, any more than anybody else, acquire a rightful ownership in the soil, when the only evidence of his habitation and occupancy is the smoke that curls from his wigwam, covered with the skins of wild beasts.

Since the delivery of the speech in the old Hall, from which I have just read, the pioneer settler has crossed the great central valley of the Mississippi, and scaling the snow-crowned summits of the Sierras, has built a mighty cordon of free States on the shores of the Pacific, rearing everywhere along his pathway through the wilderness temples of science and civilization on the ruins of savage life. The achievements of the pioneer settler since he first overleaped the Alleghanies in his march westward has been the achievements of science and civilization over the elements, the wilderness, and the savage.

Under the old land system the Government by its regulations permitted the speculator to exact from the settler from $3 to $5 or more per acre, without rendering any equivalent. By this new system which this bill, if passed, would supplant, the Government itself takes directly from the settler from $1 to $3.75 per acre, and returns no equivalent, any more than did the speculator under the old system. What justice can there be in legislation which thus absorbs the earnings for long years of these hardy sons of toil who contribute so much to the greatness and glory of the Republic?

There is no excuse for such a policy. Take from the white settler, who is struggling to make a home for himself and his family and to educate his children—take from him his earnings, for what? To keep the Indian tramping around in moccasins and idleness! The white man working to maintain the Indian in idleness is equally bad with the old land system which permitted the speculator to take from the settler four or five dollars or more an acre.

Mr. Chairman, the present law of Congress compels the settler, who cultivates the soil, developes the resources of our country, and is a brave soldier in the hour of peril, and bares his bosom in defense of the Republic, to pay out of his hard earnings to support the Indian in idleness, because the Government of the United States has to pay the Indian for these lands. Let the Treasury pay. The willing consent of the Indian to leave is of more consequence than any amount of money that is paid to him; but there is no reason why the Government should, by an independent act of legislation, compel the settler to pay from his earnings into the Treasury for these lands any more than there was in the old times, under the old system, which has been repudiated by the American people.

Mr. Chairman, in 1860 the Republican party adopted as one of its cardinal principles and embodied it in its party platform, "Free homesteads for the settlers on the public domain." To-day it is in the platform of every political party that had a candidate for the Presidency in the field at the last election except our gold Democratic friends who met at Indianapolis, and the glare of the yellow metal, I suppose, so dazzled their vision that they overlooked the homestead settlers. [Laughter and applause.]

In 1860 the Republican party platform was almost identical in

words with those in its platform made at St. Louis, and on which it was victorious at the last election.

Six homestead bills, substantially the same, passed the House of Representatives before the final enactment of the law. The first three never received any action in the Senate. The fourth was supplanted in the Senate by a motion to lay it aside to take up a bill to purchase from Spain the Island of Cuba. Had that been done, then we might have been spared the sad spectacle witnessed now of a people struggling through heroic deeds for the inalienable rights of mankind. [Applause.] That ended all efforts to take up the homestead bill in that Congress.

The next Congress, beginning in December, 1859, consumed over a month in electing a Speaker. As soon as the House was organized, early in January, 1860, the homestead bill, which had been defeated in the Senate in the preceding session, I again introduced, and it passed the House. Some time in March or April following it was taken up in the Senate, and a substitute offered by Andrew Johnson, of Tennessee, was adopted. The House refused to accept the substitute, which was merely a graduation in price of the public lands, making it 25 cents an acre to the settler on five years' cultivation and 62½ cents for preemptors. After some weeks the committee of conference of the two Houses agreed to the Senate's substitute, which the House finally accepted on the principle that "half a loaf is better than no bread." This bill President Buchanan vetoed in June, 1860. At the extra session of Congress convened by President Lincoln July 4, 1861, the same old homestead bill, which had previously passed the House five times, was introduced, and at the following regular session of the Thirty-seventh Congress passed both Houses and became a law, as I have stated.

I call attention to the history of these transactions to show that while it was a cardinal doctrine of the Republican party at that time, even when it was in its cradle, it has been adopted by every political party and embodied in the platform of all excepting the party that met at Indianapolis last year. Now, while a party platform may have or may not have merit, those who adhere to the party are bound to see that its pledges are carried out faithfully. The will of the people is to be respected according to the verdict at the ballot box. [Applause.]

But, sir, to return to the point I had in view. I claim that the Indian should not be forced from the old hunting grounds of his fathers without his consent; and that should have been the policy of the Government from the beginning. Never was so unwise a policy adopted by a government in reference to any people as that which was adopted by ours in reference to these people—recognizing them as an independent nation, owning a part of the earth's surface, with whom we must treat. They had just as good a right perhaps as the mightiest monarch of any nation has in his claim of ownership to a continent, because one of his subjects was the first white man to look on its shores or sail across one of its navigable rivers. I know that this is the doctrine of the books and of international agreement. Nations who have discovered new lands have the right to control the social organisms, institutions, and governments that may be built upon them. But how can they gain a title to the soil by a mere act of discovery any more than to the atmosphere that floats over it or the waters that leap from its mountains to the sea?

But, sir, I have no desire to trespass upon the patience of the committee. I have done what I wished to do, and called their attention to a bill now pending in this House, as an amendment to a House bill, that provides for relieving these settlers from these unjust and excessive burdens and restore these lands to the same provisions as all other lands of the Government under the free-homestead law.

Why should the Government continue this innovation upon the homestead policy, by which greater injustice and wrong is perpetrated upon the settler than was ever perpetrated upon him under the old system of selling the lands to the highest bidder? If the homestead policy is to be discarded, why double and thribble the amount ever before exacted of the settler? The passage of this bill would place all the public lands alike, no matter how or when acquired, under the provisions of the free-homestead law, which, previous to this innovation, has existed uninterruptedly for more than a third of a century, and under which the wilderness has been made to bloom and blossom as the rose."

APPENDIX.

Free Homes for Free Men.

SPEECH

OF

HON. GALUSHA A. GROW,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

February 29, 1860.

The House being in Committee of the Whole on the state of the Union—

Mr. GROW said:

Mr. CHAIRMAN: At the close of the Revolution the colonies claimed dominion, based upon their respective colonial grants from the Crown of Great Britain, over an uninhabited wilderness of 220,000,000 acres of land, extending to the Mississippi on the west and the Canadas on the north. The disposition of these lands became a subject of controversy between the colonies even before the Confederation, and was an early obstacle to the organization of any government for the protection of their common interests.

The colonies whose charters from the Crown extended over none of the unoccupied lands claimed, in the language of the instructions of Maryland in 1779 to her Delegates in Congress—

> That a country unsettled at the commencement of this war, claimed by the British Crown and ceded to it by the treaty at Paris, if wrested from the common enemy by the blood and treasure of the thirteen States, should be considered as a common property, subject to be parceled out by Congress into free, convenient, and independent governments, in such manner and at such times as the wisdom of that assembly shall hereafter direct.

The propriety and the justice of ceding these lands to the Confederation, to be thus parceled out into free and independent States, having become the topic of discussion everywhere in the

colonies, Congress, in order to allay the controversy and remove the only remaining obstacle to a final ratification of the Articles of Confederation, declared by resolution on the 10th of October, 1780—

That the unappropriated lands which may be ceded or relinquished to the United States by any particular State * * * shall be disposed of for the common benefit of the United States, and be settled and formed into distinct republican States, which shall become members of the Federal Union and have the same rights of sovereignty, freedom, and independence as the other States, etc. That the said lands shall be granted or settled at such times and under such regulations as shall hereafter be agreed on by the United States in Congress assembled, or nine or more of them.

In pursuance of the provisions of this resolution, New York, Virginia, Massachusetts, Connecticut, South Carolina, North Carolina, and Georgia ceded their claims, including title and jurisdiction, to the waste lands, as they were called, outside of their respective State limits; all of them, except Georgia and North Carolina, without any conditions annexed to their respective grants save those contained in the resolution of Congress just referred to. The reservation in the grants of Georgia and North Carolina were not, however, as to the future disposition of the lands, but a condition that slavery should not be prohibited therein by Congress. The territory thus conditionally granted is contained within the States of Tennessee, Mississippi, and Alabama. With the exception of the grants of North Carolina and Georgia (and the reservations even in those relating only to the form of their future government), the public lands claimed by the colonies at the close of the Revolution were ceded to the General Government, to be settled and disposed of "under such regulations as shall hereafter be agreed on by the United States in Congress assembled."

Since that time the Government has acquired by treaty—of France, the Louisiana purchase; of Spain, the Floridas; of Mexico, Utah, New Mexico, and California, containing all together over 1,200,000,000 acres of land. So the General Government, by cessions from the original States and purchases from other nations, has acquired, exclusive of water, as computed by the Commissioner of the Land Office, 1,450,000,000 acres of public lands, of which there have been sold to September 30, 1859, 147,088,274 acres, and otherwise disposed of in grants and donations to individuals, corporations, companies, and States, including grants since June 30, 1857, 241,770,052 acres, leaving of public lands belonging to the Government, undisposed of on September 30, 1859, 1,061,141,675 acres.

What disposition shall be made of this vast inheritance is a question of no small magnitude. Three times within seven years a homestead bill has passed this House and been defeated each time by the Democratic majority in the Senate. On the vote on the homestead bill in the House last Congress, out of 130 Democrats, but 31 voted for it; and in the Senate, on the test vote between taking up the homestead bill, after it had passed the House and only required the vote of the Senate to make it a law, so far as Congress was concerned, or to take up the bill for the purchase of Cuba, but 1 Democrat voted for the homestead, and only 8 at any time; while every Republican in the Senate and every one in the House, with a single exception, was for the homestead. Of all the Representatives of the slave States, but 3 in the House voted for it, and but 2 at any time in the Senate. So the Democratic party, as a party, arrayed itself in opposition to this benefi-

cent policy. The Republican party, on the other hand, is committed to this measure by its votes in Congress, by its resolves in State conventions, and by its devotion to the great central idea of its existence—the rights and interests of free labor.

Early in this session I introduced a bill, which now awaits the action of the House, providing that any person who is 21 years or more old, or who is the head of a family, may enter 160 acres of any land subject to preemption, or upon which he may have a preemption claim, and by cultivating the same for five years shall be entitled to a patent from the Government on the payment of the usual fees of the land office and $10 to cover the cost of surveying and managing.

The land policy, as now conducted, permits the President in his discretion to expose to public sale, by proclamation, any or all of the public lands, after the same are surveyed. Every person settled on the lands so advertised for sale must before the day fixed in the proclamation of the President pay for his lands, or they are liable to be sold to any bidder who offers $1.25, or more, per acre. During the days of sale fixed by the President, anyone can purchase at $1.25 per acre as many acres of land not before preempted as he desires, selecting his own location. The lands that remain unsold at the expiration of the days of sale fixed by the President are subject to private entry; that is, any person can enter at the land office any or all of the lands that are at that time unsold at $1.25 per acre, if the same have not been offered for sale more than ten years; if for a longer period, then at a less price, according to the length of time they may have been in the market. Thus, under the existing policy, there is no restraint on land monopoly. The Rothschilds, the Barings, or any other of the world's millionaires may become the owners of untold acres of our public domain, to be resold to the settler at exorbitant prices, or to be held as an investment for future speculation.

Congress, as the trustee of the whole people, is vested, by the condition of the grants from the States and by the Constitution itself, with the sole discretionary power of disposing of these lands. But, in the exercise of a sound discretion, it becomes its duty to dispose of them in the way that will best promote the greatness and glory of the Republic. And how can that be accomplished so well as by a policy that will secure them in limited quantities to the actual cultivator at the least possible cost, and thus prevent the evils of a system of land monopoly—one of the direst, deadliest curses that ever paralyzed the energies of a nation or palsied the arm of industry? It needs no lengthy dissertation to portray its evils. Its history in the Old World is written in sighs and tears. Under its influence you behold there the proudest and most splendid aristocracies side by side with the most abject and debased people; vast manors hemmed in by hedges as a sporting ground for the nobility, while men are dying beside the inclosure for the want of land to till. Under its blighting influence you behold industry in rags and patience in despair. Such are some of the fruits of land monopoly in the Old World; and shall we permit its seeds to vegetate in the virgin soil of the New? Our present system is subject to like evils, not so great in magnitude perhaps, but similar in kind.

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The Government, by its existing land policy, has thus caused to be abstracted from the earnings of its hardy pioneers almost seventeen hundred million dollars for the mere privilege of enjoying

one of God's bounties to man. This large amount has been abstracted from the sons of toil without rendering any equivalent, save a permit from the State to occupy a wilderness, to which not a day or hour of man's labor had been applied to change it from the condition in which the God of nature made it. Why should governments seize upon any of the bounties of God to man, and make them a source of revenue? While the earth was created for the whole human family, and was made its abiding place through the pilgrimage of this life, and since the hour of the primal curse, "In the sweat of thy face shalt thou eat bread," man has been forced to the cultivation of the soil to obtain subsistence for himself and the means of promoting the welfare of the race, why should governments wrest from him the right to apply his labor to such unoccupied portion of the earth's surface as may be necessary for his support until he has contributed to the revenues of the state any more than to permit him to breathe the air, enjoy the sunlight, or quaff from the rills and rivers of the earth? It would be just as rightful, were it possible to be done, to survey the atmosphere off into quarter sections and transfer it by parchment titles, divide the sun into quantum of rays and dole it out to groping mortals at a price, or arch over the waters of the earth into vast reservoirs and sell it to dying men.

In the language of remarks heretofore made on this subject, why has this claim of man to monopolize any of the gifts of God to man been confined by legal codes to the soil alone? Is there any other reason than that it is a right which, having its origin in feudal times—under a system that regarded man but as an appendage of the soil that he tilled, and whose life, liberty, and happiness, were but means of increasing the pleasures, pampering the passions and appetites of his liege lord—and, having once found a place in the books, it has been retained by the reverence which man is wont to pay to the past and to time-honored precedents? The human mind is so constituted that it is prone to regard as right what has come down to us approved by long usage and hallowed by gray age. It is a claim that had its origin with the kindred idea that royal blood flows only in the veins of an exclusive few, whose souls are more ethereal, because born amid the glitter of courts and cradled amid the pomp of lords and courtiers, and, therefore, they are to be installed as rulers and lawgivers of the race. Most of the evils that afflict society have had their origin in violence and wrong enacted into law by the experience of the past and retained by the prejudices of the present.

Is it not time to sweep from the statute book its still lingering relics of feudalism, to blot out the principles ingrafted upon it by the narrow-minded policy of other times, and to adapt the legislation of the country to the spirit of the age and to the true ideas of man's rights and relations to his Government?

For if a man has a right on earth, he has a right to land enough to rear a habitation on. If he has a right to live, he has a right to the free use of whatever nature has provided for his sustenance—air to breathe, water to drink, and land enough to cultivate for his subsistence; for these are the necessary and indispensable means for the enjoyment of his inalienable rights of "life, liberty, and the pursuit of happiness." And is it for a Government that claims to dispense equal and exact justice to all men, and that has laid down correct principles in its great chart of human rights, to violate those principles and its solemn declarations in its legislative enactments?

The struggle between capital and labor is an unequal one at best. It is a struggle between the bones and sinews of men and dollars and cents. And in that struggle is it for the Government to stretch forth its arm to aid the strong against the weak? Shall it continue, by its legislation, to elevate and enrich idleness on the wail and the woe of industry?

For if the rule be correct as applied to governments as well as individuals, that whatever a person permits another to do, having the right and means to prevent it, he does himself, then indeed is the Government responsible for all the evils that may result from speculation and land monopoly in the public domain. For it is not denied that Congress has the power to make any regulations for the disposal of these lands not injurious to the general welfare. Now, when a new tract is surveyed, and you open the land office and expose it for sale, the man with the most money is the largest purchaser. The most desirable and available locations are seized upon by the capitalists of the country who seek that kind of investment. The settler who chances not to have a preemption right, or to be there at the time of sale, when he comes to seek a home for himself and his family must pay the speculator three or four hundred per cent on his investment or encounter the trials and hardships of a still more remote border life. And thus, under the operation of laws that are called equal and just, there is taken from the settler three or four dollars per acre and put in the pocket of the speculator—thus, by the operation of law, abstracting so much of his hard earnings for the benefit of capital: for not an hour's labor has been applied to the land since it was sold by the Government, nor is it more valuable to the settler. Has not the laborer a right to complain of legislation that compels him to endure greater toils and hardships, or contribute a portion of his earnings for the benefit of the capitalist? But not upon the capitalist or the speculator is it proper that the blame should fall. Man must seek a livelihood and do business under the laws of the country: and whatever rights he may acquire under the laws, though they may be wrong, yet the well-being of society requires that they be respected and faithfully observed. If a person engage in a business legalized and regulated by the laws, and uses no fraud or deception in its pursuit, and evils result to the community, let them apply the remedy to the proper source; that is, to the lawmaking power. The laws and the lawmakers are responsible for whatever evils necessarily grow out of their enactments. What justice can there be in the legislation of a country by which the earnings of its labor are abstracted for any purpose without returning an equivalent?

In order to secure to labor its earnings so far as is possible by legislative action, and to strengthen the elements of national greatness and power, why should not the legislation of the country be so changed as to prevent for the future the evils of land monopoly by setting apart the vast and unoccupied territory of the Union and consecrating it forever in free homes for free men?

Mr. MAYNARD. May I be allowed to ask my friend from Pennsylvania a question?

Mr. GROW. Certainly.

Mr. MAYNARD. It is this: Whether he is in favor, or otherwise, of allowing the old soldier or his assignee to locate his land warrant on the public domain——

Mr. GROW. I would provide in our land policy for securing homesteads to actual settlers, and whatever bounties the Govern-

ment should grant to the old soldiers I would have made in money, and not in land warrants, which are bought in most cases by the speculator, as an easier and cheaper mode of acquiring the public lands. So they only facilitate land monopoly. The men who go forth at the call of their country to uphold its standard and vindicate its honor are deserving of a more substantial reward than tears to the dead and thanks to the living; but there are soldiers of peace as well as of war, and though no waving plume beckons them on to glory or to death, their dying scene is oft a crimson one. They fall leading the van of civilization along untrodden paths and are buried in the dust of its advancing columns. No monument marks the scene of deadly strife, no stone their final resting place; the winds sighing through the branches of the forest alone sing their requiem. Yet they are the meritorious men of the Republic—the men who give it strength in war and glory in peace. The achievements of our pioneer army, from the day they first drove back the Indian tribes from the Atlantic seaboard to the present hour, have been the achievements of science and civilization over the elements, the wilderness, and the savage.

If rewards or bounties are to be granted for true heroism in the progress of the race, none is more deserving than the pioneer who expels the savage and the wild beast, and opens in the wilderness a home for science and a pathway for civilization.

> Peace hath her victories,
> No less renowned than war.

The paths of glory no longer lead over smoking towns and crimsoned fields, but along the lanes and by-ways of human misery and woe, where the bones and sinews of men are struggling with the elements, with the unrelenting obstacles of nature, and the not less unmerciful obstacles of a false civilization. The noblest achievement in this world's pilgrimage is to raise the fallen from their degradation, soothe the broken-hearted, dry the tears of woe, and alleviate the sufferings of the unfortunate in their pathway to the tomb.

> Go say to the raging sea, be still;
> Bid the wild, lawless winds obey thy will;
> Preach to the storm, and reason with despair;
> But tell not misery's son that life is fair.

If you would lead the erring back from the paths of vice and crime to virtue and to honor, give him a home—give him a hearthstone, and he will surround it with household gods. If you would make men wiser and better, relieve your almshouses, close the doors of the penitentiaries and break in pieces the gallows, purify the influences of the domestic fireside, for that is the school in which human character is formed, and there its destiny is shaped; there the soul receives its first impress and man his first lesson, and they go with him for weal or for woe through life. For purifying the sentiments, elevating the thoughts, and developing the noblest impulses of man's nature, the influences of a moral fireside and an agricultural life are the noblest and the best. In the obscurity of the cottage, far removed from the seductive influences of rank and affluence, are nourished the virtues that counteract the decay of human institutions, the courage that defends the national independence, and the industry that supports all classes of the State.

It was said by Lord Chatham, in his appeal to the House of Commons, in 1775, to withdraw the British troops from Boston, that "trade, indeed, increases the glory and wealth of a country;

but its true strength and stamina are to be looked for in the cultivators of the land. In the simplicity of their lives is found the simpleness of virtue, the integrity and courage of freedom. These true, genuine sons of the soil are invincible."

The history of American prowess has recorded these words as prophetic. Man, in defense of his hearthstone and fireside, is invincible against a world of mercenaries.

* * * * * * *

Even if the Government had a right, based in the nature of things, thus to hold these lands, it would be adverse to a sound national policy to do so, for the real wealth of a country consists not in the sums of money paid into its treasury, but in its flocks, herds, and cultivated fields. Nor does its real strength consist in fleets and armies, but in the bones and sinews of an independent yeomanry and the comfort of its laboring people. Its real glory consists not in the splendid palace, lofty spire, or towering dome, but in the intelligence, comfort, and happiness of the fireside of its citizens.

What constitutes a state?
Not high-raised battlement or labored mound,
Thick wall or moated gate;
Not cities proud, with spires and turrets crowned;
Not bays and broad-armed ports,
Where, laughing at the storm, rich navies ride;
Not starred and spangled courts,
Where low-browed baseness wafts perfume to pride.
No; men, high-minded men—
* * * * *
Men, who their duties know,
But know their rights, and knowing, dare maintain;
Prevent the long-aimed blow,
And crush the tyrant while they rend the chain:
These constitute a state.

The prosperity of states depends not on the mass of wealth, but its distribution. That country is greatest and most glorious in which there is the greatest number of happy firesides. And if you would make the fireside happy, raise the fallen from their degradation, elevate the servile from their groveling pursuits to the rights and dignity of men, you must first place within their reach the means for supplying their pressing physical wants, so that religion can exert its influence on the soul and soothe the weary pilgrim in his pathway to the tomb.

But as a question of revenue merely, it would be to the advantage of the Government to grant these lands in homesteads to actual cultivators, if thereby it was to induce the settlement of the wilderness, instead of selling them to the speculator without settlement.

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The settlement of the wilderness by a thriving population is as much the interest of the old States as of the new. The amount now received by the Government of the settler, for the land, would enable him to furnish himself with the necessary stock and implements to commence its cultivation.

For the purposes of education, building railroads, opening all the avenues of trade, and of subduing the wilderness, the best disposition to be made of these lands is to grant them in limited quantities to the settler, and thus secure him in his earnings, by which he would have the means to surround himself with comfort and make his fireside happy; to erect the schoolhouse, the church, and all the other ornaments of a higher civilization, and rear his children educated and respected members of society. This policy

will not only add to the revenues of the General Government and the taxable property of the new States, but will increase the productive industry and commerce of the whole country, while strengthening all the elements of national greatness.

The first step in the decline of empires is the neglect of their agricultural interest, and with its decay crumbles national power. It is the great fact stamped on all the ruins that strew the pathway of civilization. When the world's unwritten history shall be correctly deciphered, the record of the rise, progress, and fall of empires will be but the history of the rise, development, and decline of agriculture. Hooke, in describing the condition of agriculture among the Romans more than two thousand years ago, the process of absorption of the lands by the rich, and their consequent cultivation by slaves, furnishes the student of history with the secret causes that undermined the Empire and destroyed its liberties.

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Had the policy advocated by the Gracchi, of distributing the public lands among the landless citizens of the nation, been adopted, the Roman fields would have been cultivated by free men instead of slaves, and there would have been a race of men to stay the ravages of the barbarian. The Eternal City would not then have fallen an easy prey to the Goth and Vandal, but the star of her empire might have floated in triumph long after the ivy twined her broken columns.

With homes and firesides to defend, the arms and the hearts of an independent yeomanry are a surer and more impregnable defense than battlement, wall, or tower. While the population of a country are the proprietors of the land which they till, they have an interest to surround their firesides with comfort and make their homes happy—the great incentive to industry, frugality, and sobriety. It is such habits alone that give security to a government, and form the real elements of national greatness and power.

National disasters are not the growth of a day, but the fruit of long years of injustice and wrong. The seeds planted by false, pernicious legislation often require ages to germinate and ripen into their harvests of ruin and death. The most pernicious of all the baleful seeds of national existence is a policy that degrades or impoverishes labor. Whenever agricultural labor becomes dishonorable, it will, of course, be confined to those who have no interest in the soil they till; and when the laborer ceases to have any interest in the land he cultivates, he ceases to have a stake in the advancement and good order of society, for he has nothing to lose, nothing to defend, nothing to hope for. The associations of an independent freehold are eminently calculated to ennoble and elevate the possessor. It is the lifespring of a manly national character and of a generous patriotism; a patriotism that rushes to the defense of the country and the vindication of its honor with the same zeal and alacrity that it guards the hearthstone and the fireside. Wherever freedom has unfurled her banner, the men who have rallied around to sustain and uphold it have come from the workshop and the field, where, inured to heat and to cold and to all the inclemencies of the seasons, they have acquired the hardihood necessary to endure the trials and privations of the camp. An independent yeomanry, scattered over our vast domain, is the best and surest guaranty for the perpetuity of our liberties; for their hearts are the citadel of a nation's power, their

arms the bulwarks of liberty. Let the public domain, then, be set apart as the patrimony of labor, by preventing its absorption into large estates by capital, and its consequent cultivation by "tenants and slaves," instead of independent freeholders.

The proposition to change our land policy, so as to accomplish so desirable a result, by securing to the pioneer a home on the public domain at the bare cost of survey and transfer, is often rejected by those who have given but little thought to the subject, as leveling and agrarian. When was there ever an effort made, since the world began, to wrest from power its ill-gotten gains or to restore to man his inalienable rights but it has been met with the shout of leveling and agrarian? That is the alarm cry of the devotee of the past, with which he ever strives to prevent all reforms or innovations upon established usages. Behind such a bulwark old abuses intrench themselves and attempt to maintain their position by hurling against every assailant terms of odium and reproach, made so by the coloring of the adherents of prerogative and power. Until within a very recent period, the chroniclers of the race have been, for the most part, sycophants of the reigning classes; and, being allied with the State, have glossed over its contemporaneous despotism and wrongs, while they have branded the true defenders of the rights of the people and the champions of honorable labor as outlaws of history.

Because the Roman Gracchi proposed to elevate the Roman citizen, by dignifying his labor and restoring him to the rights of which he had been unjustly deprived by the oligarchy who controlled the State, their name was made synonymous with infamy and as arch disturbers of all that was good in society, till Niebuhr tore off the veil of two thousand years of obloquy and vindicated to future times their memories as true defenders of the rights of the people and advocates of the best interests and glory of their country. Such has been the fate of the world's reformers. Is it not time to learn wisdom from the chronicles of the past and cease a blind reverence for customs or institutions because of their gray age? Why should not American statesmen adapt the legislation of the country to the development of its material resources, the promotion of its industrial interests, and thereby dignify its labor and make strong the prime elements of national power?

Let this vast domain, then, be set apart and consecrated as a patrimony to the sons of toil; close the land office forever against the speculator, and thereby prevent the capital of the country seeking that kind of investment, from absorbing the hard earnings of labor without rendering an equivalent. While the laborer is thus crushed by this system established by the Government, by which so large an amount is abstracted from his earnings for the benefit of the speculator, in addition to all the other disadvantages that ever beset the unequal struggle between the bones and sinews of men and dollars and cents, what wonder is it that misery and want so often sit at his fireside, and penury and sorrow surround his deathbed?

While the pioneer spirit goes forth into the wilderness, snatching new areas from the wild beast, and bequeathing them a legacy to civilized man, let not the Government dampen his ardor and palsy his arm by legislation that places him in the power of soulless capital and grasping speculation; for upon his wild battlefield these are the only foes that his own stern heart and right arm can not vanquish.

2596

BIMETALLISM IMPOSSIBLE WITHOUT INTERNATIONAL AGREEMENT.

SPEECH

OF

HON. GALUSHA A. GROW,

OF PENNSYLVANIA,

IN THE

HOUSE OF REPRESENTATIVES,

FEBRUARY 26, 1897.

WASHINGTON.
1897.

BIMETALLISM IMPOSSIBLE WITHOUT INTERNATIONAL AGREEMENT.

The House having under consideration the bill (S. 3547) to provide for the representation of the United States by commissioners at any international monetary conference hereafter to be called—

Mr. GROW said:

Mr. SPEAKER: By reason of the relative production of gold and silver in the world for the last forty years, without some agreement among commercial nations for the use of silver as a money metal, the question of a standard of value in the money unit would be no longer one of bimetallism—that is, of gold and silver circulating on a parity with each other as standard money of ultimate redemption.

BIMETALLISM ONLY BY INTERNATIONAL AGREEMENT.

Without such agreement the question will be simply whether the standard of value shall be gold, with silver circulating in subsidiary coin, or whether the standard shall be silver alone, without any gold in circulation as money.

For more than five hundred years in all nations it has been a conceded fact, which Sir Thomas Gresham, master of the British mint under Queen Elizabeth, formulated about 1560 in the following words, known since that time as Gresham's law:

When two sorts of coin are current in the same nation of like value by denomination, but not intrinsically, that is, in market value, that which has the least value will be current, and the other as much as possible will be hoarded or melted or exported.

This statement of a fact of universal application in the experience of nations through all time varies in its wording but little from that of Nicolas Oresme, a Frenchman, one of the counselors of Charles V in his treatise on money in 1370, almost two hundred years before Gresham. Oresme's statement is:

That the legal ratio of coins must conform strictly to the relative market value of the metals; that if the fixed legal ratio of coins differs from the market value of the metals, the coin which is undervalued entirely disappears from circulation.

In our present money circulation there are two sorts of coin, one of gold, the other of silver; of the same value by denomination, but not intrinsically, i. e., in market value. They both circulate now on a parity with each other, because the Government has pledged its faith, in a duly enacted law, to keep them so, and has promised to keep in its Treasury not less than $100,000,000 in gold for such purpose. By reason of that pledge, an American silver dollar buys in market just as much of anything as a gold dollar. And a paper dollar buys just as much of anything as either a silver or a gold dollar. Take away that pledge, which is entirely independent of our coinage laws, and our gold and silver coins would immediat ly come under the operation of Gresham's law, which is just as fixed and immutable as Newton's law of gravitation. Take away this Government pledge, and so long as silver should have a less market value than its denomination,

gold would not circulate as money. There would then be only silver in circulation so long as there should be any considerable difference in the market value of the two metals, unless both were kept in circulation by some specific agreement among the nations.

Many persons believe that the passage by Congress of a law to reopen the mints of the United States to the free and unrestricted coinage of silver at a ratio of value of 16 ounces of silver to 1 ounce of gold would of itself restore the silver of the world to its former market price of 81.29 cents an ounce, while it is now selling in all the markets of the world for less than 63 cents an ounce, making the commercial value of our silver dollar about 53 cents. In support of such belief it is claimed that this nation is great enough, rich enough, and powerful enough to legislate on any subject in its own way. Whatever may be claimed for this nation in greatness and power, in territorial extent, in vastness of material resources, and in its ever-increasing wealth and population—grant it all—but this nation is not great enough, rich enough, or powerful enough, nor is any other nation, nor are all the nations of the world put together great enough, or powerful enough, to make 53 cents in commercial value buy in the markets of the world 100 cents in commercial value. This nation is, however, great enough and powerful enough, and so is any other nation, no matter how poor or weak it may be, to make 53 cents in commercial value pay a debt to its own citizens of 100 cents.

There is no nation on the face of the earth, and there never will be one, great enough or powerful enough to fix by law the value in the money unit except for debt paying. Law everywhere makes and fixes the unit of valve, but the dealers in the commodities for which money is exchanged make and fix the real value in the unit. Value in money for trade and commerce is no more the creature of law than is the value in flocks, herds, and cultivated fields. The expectation of acquiring wealth through some theory of legislation has always been more alluring to mankind than by the slow process of labor and economy. But it is not in the power of human ingenuity to devise any scheme by which debased or depreciated money can be used successfully to develop the industries of a country or add to the wealth of a nation.

BUSINESS MAKES MONEY PLENTY.

The advocates of free and unrestricted coinage of silver, no matter what its commercial value may be, have a ready answer to all objections in the question, How can there be too much money? That depends upon its quality. If it is poor money, there is always too much. If good money, then never too much, if there is any use for it. The mere existence of money, no matter how much there may be, creates no business. Money not in circulation neither makes business nor adds anything to what is called prosperity. Business puts money into circulation, not the making of it. While there can not be great prosperity without money, yet business itself must first call for capital, for its development or its enlargement. And capital, which is only accumulated wealth, then furnishes the money for such purpose. Thus is created the demand for labor, and employment gives to labor its purchasing ability, for without employment it has none. In that way comes what is called prosperity. The mere fact of an abundance of money in existence but not in circulation can not make it. There never has been so large an amount of money in this country in time of peace as there has been for the last five or six years. Yet business

never languished more, and the ability of labor to buy has seldom, if ever, been less.

There is of money in the country now over sixteen hundred million dollars, all good money, based on gold. A per capita, in round numbers, of $24, being greater than that of any nation, except France, Belgium, Australia, and the Netherlands. It is $3 per capita greater than the per capita in Great Britain. The per capita in gold and silver in this country is equal to that of Great Britain, and greater than that of any other nation except those already mentioned. France has more gold and silver and less paper than any nation. Her per capita is greater than that of any other nation, being $35.97, with only 84 cents of it in paper.

MONEY PER CAPITA.

The following table shows the money per capita and the kind of money in the seven nations having the largest money per capita, and the monetary system of the nation:

Nation.	Gold.	Silver.	Paper.	Total.	Monetary system.
France	$22.19	$12.94	$0.84	$35.97	Gold and silver.
Belgium	8.72	8.71	10.38	27.81	Do.
Australia	24.47	1.49	.....	25.96	Gold.
Netherlands	6.21	11.96	6.08	24.25	Gold and silver.
United States	8.78	8.89	5.92	23.59	Do.
United Kingdom	14.91	2.96	2.91	20.78	Gold.
Germany	12.21	4.20	1.18	17.59	Do.

There is no single silver standard nation in the world that has a money per capita of over $18. Mexico has $4.95 and Russia has $8.46. These two nations are fair representatives of the silver nations in their per capita.

The coinage of silver money of all denominations in the mints of the United States from April, 1792, to February, 1873, was $143,813,598.70; since 1873 to December, 1895, it has been $543,794,030.70, being about four times greater in coinage value for these twenty-two years since 1873 than for the eighty-one years preceding. The money per capita now is greater than ever before in time of peace. Ten years preceding 1892, which is conceded by everybody to be a period of equal if not greater business prosperity than in any other like period in our history, there was through it all the same kind of money we have now, except that there was less per capita and less of silver money. Whatever depression, therefore, there may be in the business of the country, or want of prosperity in its industries at this time, can not possibly be caused by a lack of money, especially in the coinage of silver.

COINAGE OF GOLD AND SILVER.

The coinage of silver money in the United States for the ten years preceding 1893, the year the law was repealed for Government purchase of silver bullion, was, coinage value, $301,926,941, and the coinage of gold for the same time was $271,095,731, the silver coinage for the ten years being $31,000,000 greater than the gold. The world's coinage of silver money for the ten years preceding 1893 was, coinage value, $1,340,558,658, and the world's coinage of gold for the same period was $1,264,181,751, the silver coinage of the world for these ten years being $76,000,000 greater than the gold. For the year 1873 the world's coinage of silver money, coinage value, was about one-half as much as the coinage

of gold. For the year 1888 the world's coinage of gold and silver was almost identically the same, each being, in round numbers, $135,000,000. For the three years ending with 1895 the world's coinage of gold alone was $691,042,987, being a larger average annual coinage of gold than the average annual coinage of both gold and silver from 1881 to 1887. Whatever may be the condition, therefore, of the business of this country at the present time can not possibly result from too little coinage of silver money any more than from too little coinage of gold. For the coinage of silver, like its production in the last twenty years, has greatly exceeded that of any equal period in the history of mankind. The public mind at this time is not so much disturbed about the quantity of money as about its quality, and as to what may be its character in the future.

Jefferson, in his notes on coinage in 1786 to Robert Morris, then Superintendent of Finance, says:

> The proportion between the value of gold and silver is a mercantile problem altogether. Just principles will lead us to disregard legal proportions altogether and inquire into the market price of gold in the several countries with which we shall principally be connected in commerce, and to take an average from them.

He recommended "the appointment of persons to inquire what are the proportions between the volume of the value of fine gold and fine silver at the markets of the several countries with which we are, or probably may be, connected in commerce, and what would be the proper proportion here, having regard to the average of the value at these markets." Jefferson, unlike many of the professed statesmen of to-day, did not think it wise to attempt to settle legal proportions between gold and silver without reference to the market value of the metals in the nations with which we should be connected in commerce. That the present market value of silver could be materially changed by the mere passage of a law by Congress for its free coinage at its old ratio of value to gold would seem to be utterly impossible, in view of the relative production of gold and silver in the world since 1850 and the decline in the market value of silver since 1859.

WORLD'S PRODUCTION OF GOLD AND SILVER.

The following statements of the production of gold and silver, including market price and coinage value of silver, are based upon the tables compiled by Dr. Adolph Soetbeer, who is, as all know, a most competent and reliable authority on these subjects. His tables of production and price, with the additions of the Directors of the Mint, for four hundred years are embodied in the Annual Report of the Director of the United States Mint for 1895 and 1896.

The following table shows the world's production of gold and silver, coinage value, from 1841 to 1895, both years inclusive, in periods of ten years each, except for the last five years:

Years.	Gold.	Silver.
1841-50	$363,928,000	$324,400,000
1851-60	1,332,981,000	372,261,000
1861-70	1,263,015,000	507,174,000
1871-80	1,150,814,000	918,578,000
1881-90	1,009,055,000	1,298,846,900
1891-95	815,664,500	1,025,742,300
Since 1850 (45 years)	5,622,530,100	4,122,602,200

The silver production of the world, coinage value, for the twenty years from 1855 to and including 1875 was $1,104,588,000; for the twenty years from 1875 to and including 1895 it was $2,833,845,200, being $1,729,257,200 greater for the twenty years ending with 1895 than for the twenty years ending with 1875. While the silver production of the world, coinage value, for the ten years ending with 1860 was less than a third in value of the gold production for that period, the production for the ten years ending with 1895 was $349,678,100 greater in value than the gold production for the same period.

The following table shows the production of gold and silver in the world in ounces and coinage value for each of the following years:

Year.	Gold.		Silver.	
	Ounces.	Value.	Ounces.	Value.
1840	652,291	$13,484,000	19,175,867	$24,793,000
1850	1,760,502	36,383,000	25,090,342	32,440,000
1860	6,486,262	134,083,000	29,093,428	37,618,000
1870	6,270,086	129,614,000	45,051,533	55,663,000
1895	9,688,821	200,285,700	169,180,245	218,738,100

The great increase in the world's annual production of gold began in 1850. The great increase in silver began in 1860. The world's production of silver, coinage value, for the year 1840 was, in round numbers, $25,000,000; for the year 1860 it was, in round numbers, $38,000,000, being less than a third in value of the gold for that year. Its production for the year 1870 was $56,000,000, and for 1895, in round numbers, it was $219,000,000.

MARKET PRICE OF SILVER.

The world's annual production of silver and market price since 1859 was as follows:

Year.	Ounces.	Coinage value.	Market price.	Price less than 1859.
1859	29,095,428	$37,618,000	$1.36	
1861	35,401,972	45,772,000	1.33¼	.02¾
1870	43,051,583	55,663,000	1.32⅞	.03⅛
1873	63,317,814	81,864,000	1.29⅜	.06⅝
1875	70,996,708	91,585,753	1.24⅜	.11⅝
1880	78,775,602	101,851,000	1.14½	.21½
1886	93,267,290	120,626,800	.99½	.36½
1894	167,752,561	216,892,200	.63⅝	.72⅜

In 1859 the market value of silver was $1.36 an ounce, the highest price ever known, before or since. Its market price in 1861 was $1.33¼ an ounce, being 2¾ cents an ounce less than in 1859; the world's production for that year, coinage value, in round numbers was $46,000,000. Its market price in 1870 was $1.32⅞ an ounce, being 3⅛ cents less than in 1859, and its production for that year was in round numbers $56,000,000. Its market price in 1873 was $1.29⅜ an ounce, being 6⅝ cents an ounce less than in 1859, and the world's production for the year 1873 was in round numbers $82,000,000. Its market price in 1875 was $1.24⅜, being 11⅝ cents less than in 1859; the world's production that year was in round numbers $92,000,000. Its market price in 1880 was $1.14½, being

21½ cents less than in 1859; the world's production was in round numbers $102,000,000. Its market price in 1886 was 99½ cents an ounce, being 36½ cents an ounce less than in 1859; the world's production for that year was in round numbers $121,000,000. Its market price in 1894 was about 63¾ cents an ounce, being 73 cents an ounce less than in 1859; the world's production for 1894 was in round numbers $217,000,000.

This great increase in the world's production of silver for the last twenty years and the present production of both gold and silver, with their prospective increase for the future, renders it absolutely impossible for the free coinage of silver by this nation alone at a ratio of value to gold of 16 to 1 to add materially to the market value of silver.

COINAGE CREATES NO VALUE.

Reopening the mints to free and unrestricted coinage of silver would not create a single purchaser for it. The owners of the bullion brought to the mints would be the owners of the money coined therefrom. Coinage itself only stamps upon the coin its denomination, which is in reality only the same thing as stamping on it the weight and fineness of the metal out of which it is coined. That is all that law can do, except to fix the amount of indebtedness which the denomination of the coin would pay within the jurisdiction of the law. Law makes and fixes its denomination and debt-paying value. Its commercial value is fixed by the dealers in the commodities for which it is exchanged. As the uses of money for debt paying are so much less than its uses for trade and business, if its commercial value is much less than its debt paying value it will fall to its commercial value for any purpose after the debts are paid existing at the time of its coinage or the fall in its market value. For all creditors, before creating a debt, if they know what the debt can be paid in, will see to it that the amount of the debt is enough greater to meet the difference, whatever it may be, in the commercial value and the debt-paying value of the legal tender to be received.

With free coinage the owner of silver bullion would have two ways of disposing of it. One, to sell it in the market, just as he does now; the other, to take it to the mint and have it coined. After coinage he would then have two methods of disposing of his coin. One, to pay his own debts, if he had any; the other would be to buy something with it. In debt paying it would pass at its denominational value to a person within the jurisdiction of the law under which it was coined. Its purchasing value in business would be its commercial value; that is, the market price of the metal out of which it may be coined. And there is no ingenuity of the human intellect that could by law change these conditions of trade.

Since Abraham paid Ephron for the Cave of Machpelah 400 shekels of silver, "current money with the merchant," mankind in business transactions with each other have dealt in realities, not in fictions; and that will continue to be the case until the acquisition of property ceases to be a desire of the human heart and the love of money is no longer an incentive to action. In this earliest business transaction settled with money (of which we have any account), it was money current with the merchant. From that time to this the merchant—that is, the dealer in property for which money is exchanged—determines what money shall be current by fixing its commercial value, in receiving or rejecting it in trade for commodities, or in payment for property purchased.

The decline in market value of silver began while all the mints of the world were open to its free coinage, just as they had been for years before. No mint of any nation was closed before 1870. Silver, with its yearly increasing production, has continued to decline in market price since 1860, and it never has at any time regained the market price it sold for in 1870. Without some agreement, therefore, with the leading commercial nations as to the use of silver as a money metal, three grave questions in our monetary affairs will be presented for final settlement: First, whether we shall have a single silver standard, without any gold circulating as money; second, whether we shall continue the gold standard that we now have, with the pledge of the Government to keep silver money in circulation as now coined on a parity with gold; third, whether we shall have a single gold standard with silver circulating in subsidiary coin, on its market value for coinage, just as we had both metals from 1806 to 1878.

Without some agreement with or concurrent action by other nations for the use of silver as a money metal the result of reopening the mints of the United States to the free and unrestricted coinage of silver at a ratio of value of 16 ounces of silver to 1 ounce of gold, with the present market value of silver, would be: First, to drive all gold in this country out of circulation as money. Second, all debts due American citizens would be paid, if paid at all, at about 50 cents on the dollar, while all debts of American citizens due to citizens of foreign countries, not having a single silver standard, must be paid, if paid at all, at 100 cents on the dollar. A foreigner could buy silver bullion at the present market price of silver costing about $500,000, and take it to the mints of the United States, have it coined into about 1,000,000 of our standard dollars, and with such dollars he could pay a million dollars of indebtedness to citizens of this country, while an American citizen with a million of our standard silver dollars could pay only about $500,000 of indebtedness to citizens in foreign countries not having a single silver standard. Third, while the rate of wages would probably remain about the same as now, they would be payable in this depreciated silver money, which would then be the standard in our money unit. Thus would be established in reality for this country a single silver standard of money.

Should we keep the double standard as we now have it, by reason of the guaranty or pledge of the Government to keep silver, as money, on a parity with gold, no matter what the market value or the ratio of coinage might be, it would, so far as the Government is concerned, be in reality the same as having a single gold standard. For in all business fairness and honest dealing, even without such guaranty or pledge, the Government must pay gold on all its obligations, unless some other kind of payment is specifically named. In all cases where the debtor does not make legal tenders for the payment of debts, the debtor has the option of paying in any tender, if there is more than one; yet where the debtor himself makes the legal tenders, his creditors have the option as to which legal tender, if there is more than one, they will receive in payment of their debt. If that were not the case, then the debtor could make a worthless tender for the payment of debts, while there might be a good one in existence. In such case, if the debtor could select the legal tender for the payment of his debt, it would be a violation of the first great precept in equity, that the wrongdoer can not take advantage of his own wrong.

So long as 371¼ grains of pure silver—the weight fixed by our coinage law for a dollar in silver—was the equivalent in market value of 23.22 grains of pure gold—the weight fixed by our coinage law for a dollar in gold—the market value of each kept them as money, on a parity with each other, without any Government pledge or guarantee. So long as silver bullion sold in market for $1.29 an ounce, and it was coined into money at a ratio of 16 ounces of silver to 1 ounce of gold, each would exchange for the other, as 2 bushels of corn at 50 cents a bushel would be the equivalent of 1 bushel of wheat at a dollar, provided each sold in market as readily as the other at these prices. But when silver bullion of the same fineness fell in market value below $1.29 an ounce, then the parity in money value between it and gold was broken. At $1.29 an ounce 16 ounces of silver was the equivalent in market value of 1 ounce of gold, and each was selling in market as readily as the other.

FREE COINAGE OF GOLD AND SILVER.

So long as silver retained a market price of $1.29 an ounce, individuals owning silver bullion, the same as those owning gold bullion, could take it to the mint and have it coined into money of such denominations as might be fixed by law, without expense to themselves, for the reason that the silver was of the same market value before coinage as after. Its coinage, therefore, being only for the convenience of the public in doing business, was without expense to the owner, so it was called free coinage. But the owner of the bullion put the money coined into circulation and had whatever advantage might result from changing it from bullion to money. It made no difference how much silver bullion was coined into money so long as its market value at the relative ratio of coinage with gold was the same. That is, so long as 16 ounces of silver was equivalent, or nearly so, in market value to 1 ounce of gold, the mints of the world were everywhere open to the unrestricted coinage of silver. From 1792 to 1873 the mints of the United States were open to the free and unrestricted coinage of silver, except that the coinage of silver dollars was suspended from 1806 to 1834 by an order of Jefferson. The total coinage of silver of all denominations from 1792 to 1873 in the mints of the United States was done for individuals, and amounted to $143,813,598. Since 1878 all coinage of silver in the mints of the United States has been from bullion purchased by the Government, and the mints have been closed to the coinage of silver for individuals. But the total coinage of silver of all denominations from 1873 to December 31, 1895, was, as before stated, $543,794,030, being almost four times greater in these twenty-two years than for the eighty-one years preceding. For each of these silver dollars, or for the certificate which represents them, so coined and paid out the Government has received 100 cents, no matter what it paid for the bullion it purchased or what the market value of silver may have been.

Hence in business fairness the Government pledge to keep silver money on a parity with gold. But the reopening of our mints to the free and unrestricted coinage of silver at the old ratio of 16 to 1 would of necessity change all this. The Government would then cease to coin on its own account, and individuals would again put silver money into circulation coined out of their own bullion; and whatever profit or advantage there might be in the coinage

would be theirs instead of the Government's. The Government could not, therefore, stand responsible for the money thus coined, and it would go forth, as in all cases of free and unrestricted coinage of money, without any redeemer except its own intrinsic value.

USE OF CREDIT INSTRUMENTALITIES.

If it would not be advisable for this nation to adopt either of the foregoing plans in its monetary affairs, then the only other alternative, in case of no agreement among the nations, would be a single gold standard in our money unit, with silver circulating as subsidiary coin. Whether that would be advisable and could be done successfully would depend, first, upon whether there is gold enough in the world for the world's business should all nations adopt it as the standard in their money of ultimate redemption, and whether, in case that should be done, there would be a reasonable probability that the future annual production of gold would be sufficient for any increase there might be in the world's business. To ascertain whether such a result would be possible, there are many considerations to be considered in connection therewith, and upon which ultimate success would largely, if not wholly, depend.

Reliable statistics show that of all the business transactions of the people of commercial nations as now transacted not to exceed 8 per cent of the volume of such transactions are made with actual money. The other 92 per cent is made with what is called substitute money or credit, like bank bills, bills of exchange, checks, drafts, letters of credit, and certificates of various kinds. This substitute or credit money answers just as well if not better for the transaction of business, if it is at all times convertible at the will of the holder at its face value into money of real or commercial value, commonly called intrinsic value. To illustrate, 1,000 persons owe each to the other $1. The first one has a dollar deposited in the bank. He draws a check on the bank for a dollar and passes it to his creditor, who takes it, if he believes it will be paid when presented at the bank. The second one does the same, and so it passes from one to the other until it again reaches the drawer of the check. One thousand dollars of indebtedness has been discharged and not a dollar in actual money has been used in doing it. This process is the same in large or small transactions by which business is done on what is called credit. But it could not be done at all without the actual dollar, which is called the money of ultimate redemption, nor without confidence that the dollar itself would be paid when the check should be presented. Without such confidence the dollar itself would have to be used in each transaction.

While the check was the instrument used to discharge $1,000 of indebtedness, yet the check itself was not paid, and no matter how many times it might be passed it would not be paid until the holder received for it $1 in commercial value. By its use the creditor simply exchanges one debtor for another. But without the confidence that the dollar of commercial value promised would be paid whenever the check should be presented, the first creditor to whom it should be offered would refuse to take it, and so on with every other one. The same would be true with the purchaser of commodities. No one would take the check for his commodity except in full faith and confidence that the dollar of commercial value which it promised was on deposit to be paid whenever called

for. Law makes all the regulations for the use of substitute money, and makes and fixes the money unit in the standard of value, but can not make or fix the value in the unit itself except for debt paying. There must therefore be the actual commercial value in the money of ultimate redemption called for in all this substitute money, or it would be no better than the paper rags of which it is composed.

The record of the clearing house of the city of New York, where all the business transactions passing through the banks of that city are settled daily, shows that not more than 8 per cent of the amount of business transactions are settled with actual money. The following statement is taken from the annual report of the clearing house of New York City for the year 1895.

The clearing-house transactions for the year have been as follows:

Exchanges	$28,264,379,125.23
Balances	1,896,574,349.11
Total transactions	30,160,953,475.34

The average daily transactions:

Exchanges	$92,670,095.49
Balances	6,214,276.55
Total	98,888,372.04

The average daily transactions for 1895, in round numbers, were $100,000,000. The actual money used in settling the final balance was, in round numbers, $6,000,000. As standard or coin money of commercial value is not consumed or destroyed, the same $6,000,000 would pay the balance of $100,000,000 of transactions the next day just the same, and so on through the year. From bank reports and reliable estimates there is at this time in this country about $600,000,000 in gold. That is a sufficient amount of actual standard money with our present facilities of communication and transportation to sustain in ordinary times of business confidence a volume of daily business transactions of ten thousand million dollars; which would be one hundred times greater than the daily business transactions of the city of New York, as shown by the report of its clearing house.

While this 8 per cent of the volume of business transactions in real money, that is, money of intrinsic value, might be sufficient in times of business confidence, yet to make sure that such confidence would not be injuriously affected in times of panicky distrust it is necessary that there should be in existence a larger amount of real money of ultimate redemption than 8 per cent of the volume of ordinary business transactions. Exactly how much larger it should be is not easily determined. That would depend upon facilities for communication and the cost and time in transportation. Less money would be required the greater the facilities, and the less the time and the cost in both communication and transportation. It would depend also largely upon what was used as money, and what was the standard of value in the money unit.

STANDARD MONEY.

What is money? What are its uses, and how can it be affected by law? Money is what is used to facilitate the exchange of commodities and the transfer of property, and to pay for the property

transferred, and the difference in the values of the commodities exchanged. The essential requisites for standard money, that is, money of ultimate redemption, are:

First. That it shall retain the same value when paid out that it had when it was received; otherwise some one would be a loser by its use.

Second. That it shall contain the greatest amount of commercial value in the smallest space; for weight and bulk affects both convenience and expense in its use.

Third. That it shall be regarded by all who use it of the same commercial value; otherwise the uncertainty in the discounts or premiums to be agreed upon would destroy its uniform and certain value.

Fourth. That it shall be of a substance indestructible by fire, thus avoiding loss or the risk and expense of insurance.

Gold possesses all these requisites for such money in a greater degree than any other known substance; hence it has been used as money by all commercial nations. An additional reason to the inherent qualities already mentioned why gold is preferable as money over any other known metal is that it varies less in amount and cost of production from year to year, as proven by the experience of four hundred years, if not for all time. Another reason in its favor, the others being conceded, is its beauty. Everywhere and in everything, all else being equal, beauty rules the world. Silver has one of the requisites of standard money, the same as gold: it is indestructible by fire; but in all other respects it is not equal to gold as a money metal. While both gold and silver have been used as money from the earliest times, yet gold has always been regarded as the most desirable. In our earliest record of mankind, one branch of the river that went out of the Garden of Eden compasseth the land of good gold.

How is the standard of value in money fixed and what are its requisites? The standard or measure of anything must partake of the nature of the thing of which it is the standard. If it is the standard of length, it must itself have length, like the yardstick. If it is the standard of weight, it must itself have weight, like the pound. So of the standard of cubic contents, like the bushel. In the standards and units of weights and measures value is not involved; therefore law makes and fixes the standard. The words of the Constitution are:

> Congress may coin money, regulate the value thereof, and fix the standard of weights and measures.

Law makes and fixes the unit of value, just as it makes and fixes the unit of weights and measures; but it does not make or fix real value in one case any more than in the other. It regulates the relative value in one case and fixes the standard in the other. It regulates the value in money by fixing the alloy and the relative weights of the metals in exchangeable value.

THE UNIT OF VALUE.

The units fixed by law are only part of the arithmetic intended to facilitate a final settlement and payment of balances in business transactions. With us the unit of value is a dollar. In England it is a pound sterling. In France it is a franc, and so on, differing in different nations. These units differing in different nations, made by law for convenience, could be changed into any others, and the new ones would answer just as well; but the value in the

money unit itself is not made by law. That the value in the standard of value varies with the amount of commodities, like wheat, corn, or cotton, which it would buy at different times is a perfect absurdity. If that was the case, then the commodities, varying in their production with the seasons, would be the standard of value. The standard of value could not itself be changing with abundant or short crops, or by decreasing or increasing demand for them. As the standard of value measures the value in all commodities, it can not itself be changing in its own value by the increasing or lessening quantity of any commodity.

The standard of value in the money unit of nations is a certain number of grains of gold, not so many bushels of potatoes, beets, or onions. The value of a grain of gold of certain fineness has been fixed by the acquiescing consent, the consensus of opinion of commercial nations, and it is of the same commercial value in them all. It is an absurdity that the standard of value by which the value in all commodities is measured could itself vary with the seasons, hot or cold, wet or dry, upon which depend the supply and demand of the commodities produced. Abundant or short crops, supply and demand in commodities, determine how many grains of gold shall be paid for them at different times. And the number of grains of gold will vary with the supply and demand of the commodity; but the value of the grain of gold itself does not vary, and can not while it continues to be the standard. If it did, it would no longer be a standard any more than would a yardstick 36 inches long be the standard of the yard in length if it was expanding and contracting with wet or dry weather.

In the report to Congress made by Robert Morris in 1782 on coinage and establishing a mint he says:

> It is right that money should acquire a value as money, distinct from that which it possesses as a commodity, in order that it should be a fixed rule whereby to measure the value of all other things.

Unlike the wise statesmen of our times, he did not think all other things called commodities could measure the value in gold or in the standard of the money unit. A grain of gold is the unit in weight of the money standard of value in all commercial nations to-day, and by it is settled and paid the balances in trade of them all, no matter whether gold or silver standard nations, in their domestic policy. Twenty-three and twenty-two hundredths grains of gold of a certain fineness is a dollar in our legal unit of value. A hundred and thirteen and one-tenth grains of gold of a certain fineness is a pound sterling in the legal unit of value in English money. But the value of the grain of gold is the same in either. Four cents three mills and a fraction is its value in our money, and it is equivalent to that value in the money of any commercial nation. Multiply 23.22—the number of grains in our dollar—by four cents three mills and a fraction, and the sum will be within a small fraction of 100 cents—i. e., our dollar. Multiply 113.1—the number of grains of gold in a pound sterling—by four cents three mills and a fraction, and the sum will be $4.86 and a fraction—the value of a pound sterling in our money, without reference to exchange. So with the gold in the money unit of any nation. The grain of gold of a certain fineness is everywhere the same in standard value, and what are called premiums or discounts are in reality only the discounts or varying amounts in value of what is to be exchanged for the gold.

PURCHASING POWER OF GOLD.

We hear much about the purchasing power of gold varying at different times, implying that the value of the gold unit in the standard of value itself is of greater or less value at one time than another. This is a confusion of terms in the use of language. The cheapening of the cost of commodities by reason of inventions in labor-saving machinery, greater skill in various appliances of human ingenuity, may so reduce the cost of any commodity that the same number of grains of gold will purchase a much larger quantity at one time than another, the supply and demand remaining the same; but the value in a grain of gold would be the same in either case, and must continue to be the same so long as it is the standard of value. Will anyone contend that because wheat sold six months ago for 50 cents a bushel and now sells for $1 the value in the grain or ounce of gold that paid for it is now one-half what it was six months ago? Can the value in the grain of gold itself, in the money unit of the standard of value, which measures the value in all commodities, be varying with the supply and demand of the commodities themselves? If so, then there is no fixed standard of value independent of the supply and demand of the commodities. If that were the case, then the value in the money unit of the standard of value shrinks and expands to meet the conditions of supply and demand, and what is called the purchasing power of gold would then be greatest when the supply of commodities is greatest and the demand least, no matter what the cost of production might be, and vice versa in their supply and demand.

The value of the grain of gold in the money unit of the standard of value must remain the same through the varying conditions of supply and demand and cost of production in commodities, or there could be no such thing as a fixed standard of value. If that is not the case, then it is possible to have a fixed standard of weights and measures, but impossible to have a fixed standard of value, the most essential thing in all the business affairs of life, that will not be varying with the supply and demand and cost of production of commodities, the value of which is to be measured by the standard itself. The greater purchasing power of gold at one time over another consists in the cheapening of the cost, or the increase of supply over demand, of the commodities purchased, and not in an absolute increase in the value of a grain of gold. It may take more grains of gold at one time than another to buy the same quantity or amount of commodities, by reason of their greater or less cost in labor, by abundant or short supplies; but the real value in the grain of gold in the money unit of the standard of value must remain the same, and the variation in the amount or quantity of commodities that it will buy is not in the value of the unit, but in the greater or less cost of, or the respective supply and demand of, what is to be exchanged for it. No matter how many grains of gold, more or less, any commodity may at any given time command in the market, the value in the grain of gold itself continues the same, and that must necessarily be the case so long as it is the standard of value in the money unit of nations. It can no more be changed by one nation than can the mathematics of the world be changed by a nation attempting to change the axiom of the multiplication table that twice 1 are 2 into twice 1 are 4.

The scale of feet and inches on the stone or iron pier for marking the rise and fall of the tides or the flow of rivers marks the depth of the surrounding water, no matter how much or how little there may be; so the standard of value measures the rise and fall in the value of all commodities by the number of grains of gold which are required in payment. But the value in the grain of gold itself, so long as it is the standard, can no more vary than can the inches in the feet of the scale on the stone or iron pier. If it does, then it is no longer the standard of value, and the value in commodities would be measured by something else.

ONE STANDARD OF VALUE.

For a money standard of value the world might have selected some other metal, or it might have placed a different value on a grain of gold. But as that has not been done, any attempt to change it now would be like an attempt to change the mathematics of the world. There can be but one real standard of value in use in the same nation at the same time, no matter what may be in use as money. All attempts to fix a double standard, as it is called, has always required more or less legislation to keep both in circulation. While changes in alloy and relative weights have been resorted to for that purpose, the value in the grain of gold itself has remained unchanged.

Congress in 1853 changed all the silver coins of less denomination than the dollar from being proportionate parts of 412½ grains of standard silver to proportionate parts of 385 grains and a fraction, and fixed the legal tender for all silver at 85, which continued until 1873. The changes in legislation in 1834, 1853, and in 1873 were all made in order to keep a double standard, by keeping silver circulating on a parity with gold as a money metal.

Hamilton, in his report as Secretary of the Treasury on the establishment of a mint in 1791, said:

> As long as gold, either from its intrinsic superiority as a metal, from its rarity, or from the prejudices of mankind, retains so considerable a preeminence in value over silver as it has heretofore had, a natural consequence of this seems to be that its condition will be more stationary. The revolutions, therefore, which may take place in the comparative value of gold and silver will be changes in the state of the latter rather than that of the former. One consequence of overvaluing either metal in respect to the other is the banishment of that which is undervalued. There is scarcely any point in the economy of national affairs of greater moment than the uniform preservation of the intrinsic value of the money unit. On this the security and steady value of property essentially depends.

This declaration of Hamilton applies to all time and to all nations.

The standard of value in the dealings of mankind must be a fixture. Otherwise, how could agreements be made for future execution? If it is proposed to buy cloth of the merchant for future delivery, how could the merchant fix a price per yard if he could not tell what the length of the yardstick by which it must be measured would be at the time of delivery? If there were two yardsticks fixed by local law different in number of inches, then, of course, it would have to be specified which should be used. But if all mankind consented and tacitly agreed that the space measured by 36 inches would be a yard in all the dealings of mankind which were to be settled by measurement, that would be a standard of length which nobody would take into account as liable to vary, and whatever local legislation there might be would only relate to adapting other things to it. So with the world's

standard of value in gold. All legislation has been only in relation to its debt paying, and to adapting other things to it in debt paying, or in exchangeable value.

As gold possesses all the requisites for a money standard of value and is in every way preferable as a money metal, there can not possibly be any objection to making it the standard of value in all commercial nations, provided that as standard money of ultimate redemption there would be enough of it in the world for the world's business, and that there would be a reasonable probability that its annual increase in production would be sufficient for any increase there might be in the world's business transactions. Whether that would be possible depends upon the relative production of gold and silver in the past, and the present annual production of gold, and its probable production for the future.

The world's annual production of gold alone now exceeds the annual production of both gold and silver twenty years ago or for any time previous to that. The world's coinage of gold alone into money for the three years ending with December 31, 1895, was $691,052,047, an average annual coinage of $230,350,682, being in round numbers $5,000,000 larger than the average annual coinage of both gold and silver from 1878 to 1888. The world's coinage of both gold and silver for the nine years from 1878 to 1888 was $2,033,725,461, being an average annual coinage of $225,969,495, which is $4,381,187 less than the average annual coinage of gold alone for the three years ending with 1895.

As neither gold nor silver are consumed, and as they are indestructible by fire or floods, all the gold and silver produced since the beginning of time is to-day in the keeping of mankind, except what may have been used in the arts and in manufactures, and the little that may have been lost in use.

Dr. Soetbeer's tables show that if the mints of all nations had been closed in 1850 to the coinage of silver into money, except what was then in existence, the world's annual production of gold since that time, as shown by these statistics of its production, would have been more than sufficient in standard money—i. e., money of ultimate redemption—for the world's business, just as it has been conducted from that time to this. And the annual production of gold at the rate of its production since 1891 would be sufficient in standard money for any probable increase in the world's business for the future.

For the year 1850, the beginning of the great increase in gold, the world's production was $36,393,000, and that was double the production of any previous year. For the year 1840 the world's production was $13,484,000, an increase in annual production in the ten years from 1840 to 1850 of $22,909,000. The world's entire gold production for twenty years preceding 1850 was $498,769,000, being an average annual production of $24,938,450. But the increase in the annual production of gold in the ten years immediately preceding 1850 having been $22,909,000, add that amount to the $24,938,450, average annual production for the twenty years, would make $47,647,450. Call it, in round numbers, $50,000,000 annual production of gold required for the world's business in standard money of ultimate redemption in 1850, in addition to the silver money then in use. That would be an amount in annual production more than three times greater than any year before 1840, and more than double any year previous to 1850.

Then multiply $50,000,000 annual production by forty-five, the number of years from 1851 to 1895, inclusive, would make the sum of $2,250,000,000 in gold production required in standard money for the world's business for the forty-five years from 1851 to and including 1895.

WORLD'S SUPPLY OF SILVER GREATER THAN DEMAND.

When silver reached an annual production in 1860 of $37,618,000, its market price began to fall. In 1870 it had fallen 3¾ cents per ounce below its price in 1859. In 1870, as I have already stated, the mints of all nations were open to the free coinage of silver just as they had been for years before, so that the closing of the mints could not have effected the fall in price. Silver continued to decline in market price and was 6¾ cents an ounce less in 1873 than in 1859, and it never regained its market price of 1859 or 1870, notwithstanding the purchase by the Government for a number of years of substantially the entire silver production of American mines. But it continued to decline in all the markets of the world, until now it is less than one-half the price it sold for in 1870. The world's annual production of silver, therefore, had reached a supply before 1870 beyond the world's demand for its use, otherwise it would not have fallen steadily in market price for the ten years after 1859 and before the closing of any mint. This fact indicates that an annual production of silver of about $37,000,000 was all that the world's business required in 1870, for demand and supply regulate the market price of every product of labor.

The entire production of silver in the world for the twenty years preceding 1870 was, coinage value, $879,435,000, being an average annual production for that period of $43,971,750. Call it in round numbers $44,000,000. The decline in market value of silver from 1859 to 1870 of 3¾ cents an ounce, which it never regained, is conclusive, as I have already stated, that the world's production of silver had then in annual production reached, if it had not already passed, the limit required by the world in silver for its business transactions. But whether it had or not, that was the world's entire production for the twenty years. The increase since that time in the facilities for communication, the lessening of time and the cheapening in expense of transportation, would seem to render unnecessary any considerable increase of annual production in order to meet any increase there might have been in the world's business.

It is obvious that the world's increased facilities for doing business since 1870 have been much greater than the world's increase in population since that time. But call the average annual production of silver required for the world's business after 1870 in round numbers $44,000,000, which is a larger annual production than for any year before that time. Multiply this average annual production by twenty-five, the number of years from 1870 to 1895, inclusive, would make a sum of $1,100,000,000 as the amount of silver required from 1870 to and including 1895. To that amount add the entire production of silver from 1851 to 1870 of $879,435,000, making a total sum of $1,979,435,000, which would be what the world's business would have required in silver production, from 1851 to 1895, for its business transactions just as they were conducted during that period. On this basis of calculation the world would have required in standard money for all its business transactions of both gold and silver a production in these forty-five years from 1850 to 1895 of $4,229,435,000.

GOLD ENOUGH FOR THE WORLD'S BUSINESS.

The gold production of the world alone for this period from 1850 to and including 1895 was $5,622,530,100. So for these forty-five years from 1850 to 1895 if there had been no silver money in circulation except as subsidiary coin, there would have been a surplus in the world's production of gold of $1,393,095,100 over and above settling in gold the balances in the world's current business just in the way it was conducted. This $1,393,095,100 is the amount in gold production since 1850 over and above the world's business requirements for this period, in standard money of ultimate redemption, which might have been used additionally in the arts and manufactures, or to meet any unforeseen contingency in the world's business.

The increase in the world's production of gold, therefore, for the last twenty-five years shows conclusively that there is gold enough in the world for standard money—that is, money of ultimate redemption—for the world's business, without silver at all, except in subsidiary coin. With the present commercial value of silver in the markets of the world, and with the relative annual production of gold and silver, if there shall be no agreement with leading commercial nations for the use of silver as a money metal, then the great question to settle in our monetary policy will be whether we shall have a gold standard with silver circulating in subsidiary coin, just as we always had it after the time Jefferson suspended the coinage of silver dollars in 1806, until the coinage of silver dollars was resumed in 1878, or whether we shall have a single silver standard without any gold in circulation as money. For, as proven by the experience of all nations through all time, there can be no such thing as money coins, circulating at the same time in the same nation, coined at a ratio of value to each other differing materially from the commercial value of the metals out of which they are coined, without a specific government guaranty, or some arrangement for their redemption at their denominational value.

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